Daily Report

Latin America

FBIS-LAT-94-056
Wednesday
23 March 1994

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FBIS-LAT-94-056 *23 March 1994*

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Rio Group Foreign Ministers Continue Meeting

Hemispheric Conference Discussed

PY2203141694 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 22 Mar 94

[Text] The Rio Group, which is an association of Latin American countries, today concludes a preparatory meeting for the Rio Group presidential summit next September. The group is mainly discussing the social-economic development in the region, as explained by Brazilian Foreign Minister Celso Amorim.

[Begin Amorim recording] The subjects are democracy, human rights, sustained development, and science and technology. This meeting obviously cannot exhaust all subjects, because it is merely the preparation for a process that will conclude with a presidential summit in September. Beside economic and social development, as well as poverty—which are essential subjects—I believe we will also discuss the possibility of a consensus on the hemispheric conference. [end recording]

The election of the next OAS secretary general is another subject to be discussed in this Rio Group meeting.

Doubts Expressed Over Miami as Summit Site

PY2303003994 Madrid EFE in Spanish 2129 GMT 22 Mar 94

[Text] Brasilia, 22 Mar (EFE)—Diplomatic source told EFE News Agency that some Rio Group foreign ministers—who have been holding talks in Brasilia for the last two days—expressed certain reservations about the U.S. proposal that Miami should host the next summit of the Americas convened by the United States.

Although the heads of Latin American diplomacy were enthusiastic about U.S. President Bill Clinton's proposal, some of them expounded the "inadvisability" of holding the summit in Miami, where anti-Castro groups have a lot of clout.

The diplomats who assisted at the Brasilia meeting, which ended today, told EFE that the issue was discussed at the meeting, but did not disclose what delegations were opposed to Miami being the venue for the summit meeting.

The reservations stem from the fear that anti-Castro groups will harass some heads of state on account of the independent stance adopted by their countries and the Rio Group concerning the U.S. policy vis-a-vis Cuba.

The reservations seemingly reached the ears of U.S. Vice President Albert Gore, who made a seven-hour visit to Brasilia—which extended from the evening of 21 March to the early hours of 22 March—to invite Brazilian President Itamar Franco to the Miami summit.

After the Rio Group meeting, Brazilian Foreign Minister Celso Amorim said Gore guaranteed him that matters alien to the summit—alluding to anti-Castro Cubans—will not interfere in its organization and agenda.

Amorim noted that it is "too early" to say whether Cuba's political and economic situation will be included on the December summit's agenda.

He further stated that both the summit's date and venue depend on the decision of the U.S. Government, which convened the meeting.

Venezuelan Foreign Minister Miguel Angel Burelli commented that, in his view, Miami was not a "risky" place to bring together all the heads of state in the Americas.

Several Rio Group foreign ministers praised the flexibility of the issues proposed by Clinton, who has asked governments to offer suggestions to complete the agenda.

The subjects put forward by Clinton to his Western Hemisphere counterparts include the strengthening of democracy, human rights, trade, poverty, the environment, and the streamlining of public administration.

Paraguayan Foreign Minister Luis Maria Ramirez Boettner told EFE that his country is interested in highlighting trade liberalization, economic investments, and cooperation at the summit. Burelli, for his part, noted that questions like education, poverty, and access to technology had to be part of the agenda.

Despite the fact that they differ widely on the types of pressure that should be exerted on Cuba so it will adopt a pluralistic system to replace the single-party system, Rio Group countries have condemned the trade embargo on Cuba imposed by the United States more than 30 years ago.

Brazil and Colombia recently have become the target of criticism and threats by anti-Castro groups due to their stances on the situation in Havana.

Brazil Endorses 'Consensus' Proposal

PY2303004794 Madrid EFE in Spanish 2139 GMT 22 Mar 94

[Text] Brasilia, 22 Mar (EFE)—Brazilian Foreign Minister Celso Amorim stated today that his country endorses a consensus candidate for the election of the OAS secretary general to be held in Washington on 27 March.

Amorim said that neither formal nor informal consultations were made on the OAS vote during the two-day meeting of the 13 Rio Group foreign ministers that ended today.

Brazil has promised to vote for Colombian President Cesar Gaviria, contending that he would bring prestige to the OAS because of his successful record as president of his country for the four-year term that will end on 7 August.

The foreign ministers and other government officials who represented their countries at the Brasilia meeting, which focused on the search for formulas to eradicate poverty and unemployment and on reconciling positions for the continental summit scheduled for December in Miami, sounded their preferences for the 27 March vote.

Ambassadors from the 35 OAS member countries will elect the candidate to replace former Brazilian Deputy Foreign Minister Joao Baena Soares, who has served as OAS secretary general for two consecutive five-year terms since 1984.

In addition to Gaviria, the other two candidates are Costa Rican Foreign Minister Bernd Niehaus and Venezuelan Foreign Minister Miguel Angel Burelli.

Five positions have been identified within the Rio Group, the main forum for joint political and economic actions in Latin America. They are the positions of the three groups supporting each of the three candidates, the one advocating a formula for a consensus candidate, and Ecuador's undecided position.

Seven Rio Group member countries—Mexico, Argentina, Brazil, Bolivia, Paraguay, Colombia, and Peru—support Gaviria; Chile, Guatemala, and Trinidad-Tobago support Niehaus; and Venezuela supports its foreign minister, Burelli.

Uruguayan Foreign Minister Sergio Abreu today reaffirmed to EFE his 21 March proposal of seeking a consensus candidate, who could be any of the three candidates or someone else.

The initiative to seek a consensus candidate, Abreu said, "may appear to be vague, but it is a responsible one" in light of the atmosphere of confrontation between the candidacies of Gaviria and Niehaus. Abreu did not give further details of his proposal.

Abreu added: "An OAS election cannot be held in an atmosphere of confrontation. If we let matters take their course, we would be starting a new term of the secretary general with divisions already among its members."

Foreign Ministers Conclude Meeting

PY2203182694 Madrid EFE in Spanish 1721 GMT 22 Mar 94

[Text] Brasilia, 22 Mar (EFE)—The foreign ministers and representatives of the 13 member countries that make up the Rio Group today concluded a 48-hour meeting in which they evaluated, among other matters, the continental summit that has been convoked by the United States and which will be held in Miami in December.

The meeting of the representatives of Latin American diplomacy coincided with the fleeting 7-hour visit by U.S. President Albert Gore to Brasilia to invite Brazilian President Itamar Franco to the Miami meeting.

Gore took advantage of his meeting with Franco and Foreign Minister Celso Amorim to greet the foreign ministers and representatives of the 13 countries, which agreed to harmonize their position regarding the U.S. initiative.

The Rio Group foreign ministers will discuss on 24 April in Sao Paulo, the seat of the Latin American Parliament (Parlatino), all matters they want discussed at the Miami summit, including what some diplomats have termed "the Latin American perception" of the meeting.

An agenda was approved that will be proposed to the foreign ministers of the European Union for the 6-monthly joint meeting to be held between 20 and 23 April at the seat of the Parlatino.

The member countries of the Rio group are: Mexico, Colombia, Panama, Venezuela, Bolivia, Peru, Brazil, Argentina, Paraguay, Uruguay, Chile, Guatemala, and Trinidad and Tobago.

Issues Discussed at Meeting Reported

PY2303001594 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 22 Mar 94

[Report by Patricia Gomes from Brasilia]

[Text] The Rio Group today discussed in Brasilia the need to ensure the developing countries' access to high technology and the right to transfer it.

The 13 Rio Group foreign ministers will meet in Sao Paulo on 22 and 23 April with a group of European Union foreign ministers. The meeting's objective will be to discuss proposals presented in the first Rio Group meeting this year, which ended today in Brasilia.

In the meeting, the foreign ministers discussed topics such as the fight against poverty, human rights, sustainable development, and science and technology exchange.

According to Foreign Minister Celso Amorim, the meeting helped the Rio Group member countries prepare for the presidential and chiefs of state meeting to be held in September.

The foreign ministers also analyzed the letter received from U.S. President Bill Clinton asking for a hemispheric conference to discuss poverty and misery in the American continent.

Minister Amorim also said the Rio Group member countries are concerned about the situation in Suriname, where armed groups conducted attacks a few days ago.

Cuba

Havana Cites Clinton on Retaining Embargo

FL2203182294 Havana Radio Rebelde Network in Spanish 1255 GMT 22 Mar 94

[Text] Speaking last night at a dinner to collect funds for his Democratic Party—which garnered more than $3 million—U.S. President William Clinton said he will not lift the blockade on Cuba. During the dinner, Clinton seemed worried about the fact that he will have to testify again before the special prosecutor in the Whitewater case. [Former] Judge David Hale had said that through transactions Clinton provided some $100,000 to the Whitewater company, through which Clinton and his wife Hilary owned some properties when Clinton was governor of Arkansas.

Havana Notes PRC Position on U.S. Pressure

FL2203182794 Havana Radio Rebelde Network in Spanish 0000 GMT 22 Mar 94

[Text] Chinese Foreign Minister Qian Qichen stated that his country is willing to go on without trade relations with the United States if Washington continues to condition its preferential status of bilateral trade on the domestic policies issues of the PRC. In an interview published today in the NEW YORK TIMES newspaper, Qian Qichen criticized the U.S. policy of setting the deadline of July 1994 on China's most favored nation status in trade with the United States if Beijing does not make progress in the observation of human rights.

It is important to remember that according to the very UN Human Rights Commission charter, the fulfilling of all its clauses are determined by the domestic and sovereign laws of each state.

Havana Notes Arrest of Lucius Walker in Laredo

FL2203191294 Havana Radio Rebelde Network in Spanish 1000 GMT 22 Mar 94

[Text] Religious leader Lucius Walker was recently released by police in Laredo after having been arrested together with Cuban-Canadian Camilo Garcia while they were trying to transport equipment across the border for Cuba.

Prior to Walker and Garcia's arrest, several members of the third U.S.-Cuba friendship caravan crossed the U.S.-Mexican border with a satellite communication system and several other electronic supplies. (Errol Edwards), coordinator of Pastors for Peace, stated that the significance of the event was not the fact of having transported the equipment from the United States to Mexico, but that it represented the weakening of the U.S. blockade against Cuba.

The members of the caravan, headed by Walker, returned to Laredo from Havana where they handed the Martin Luther King, Jr., Memorial Center a donation of more than 140 tons of humanitarian aid collected in more than 100 U.S., Canadian, and Mexican cities.

Robaina Meets With Vietnam's Do Muoi

FL2203190894 Havana Radio Rebelde Network in Spanish 1255 GMT 22 Mar 94

[Telephone interview with reporter Rey Rodriguez from Hanoi by reporter Roberto Cavada from Havana—live]

[Text] [Cavada] We now have a live and direct link with Hanoi, the capital of Vietnam, where Cuban Foreign Minister Roberto Robaina has many activities scheduled. Good morning from Havana, Rey.

[Rodriguez] Good morning Cavada, and good morning to all your Radio Rebelde listeners.

[Cavada] Well, according to PRENSA LATINA, I understand that the Cuban foreign minister has a heavy agenda there and that he also met with the Vietnamese Communist Party [VCP] first secretary. What is the story about this and what other details can you tell the Cuban people?

[Rodriguez] Well, I have a very few minutes to tell you all about the foreign minister's acitivities today, that is, on his second day in Hanoi, capital of Vietnam. But as you said, only a few minutes ago the Cuban foreign minister was received by VCP General Secretary Do Muoi. This meeting, which was termed by Robaina as very fruitful, lasted almost two hours. Do Muoi expressed interest in the Cuban foreign minister's visit to seven Asian countries which in addition to Vietnam, includes Indonesia, Malaysia, Laos, Cambodia, India, and Myanmar [Burma].

Robaina explained to the VCP leader that the objective of his tour of these Asian countries is to explain what we are doing in our country and to listen to many points of view as part of an offensive being carried out by the Cuban Foreign Ministry. This offensive began in the Caribbean, then continued in Latin America and Africa, and now in Asia.

During this meeting Robaina handed over to Do Muoi a message by Commander in Chief Fidel Castro which conveys the feelings of [word indistinct] for what the Vietnamese people are doing. Do Muoi said he is convinced that current difficulties affecting the island are transitory and that the Cubans will know how to overcome them. He added that we must be very careful in taking the right path in this renewal process, especially the one being carried out by Vietnam, because there are many detours from the correct path that can jeopardize the sovereignty and independence of the two countries. He added that in times like this, the party's ideological nature must be strengthened to keep it united and sound.

Well, the Cuban foreign minister had previously held several meetings with the ministers of commerce and agriculture, with the chairman of the State Committee

for Cooperation and Investments, and in all these meetings both parties have expressed their interest in strengthening commercial ties in areas such as biotechnology, construction, agriculture, and maritime transportation. As I was saying, the importance of creating joint ventures was stressed, especially in the areas of construction and of veterinary pharmaceuticals.

I also want to tell you that Robaina held a meeting with members of political and grassroot organizations here in Vietnam. During those meetings we obtained an exclusive interview granted to Rebelde by Ho Duc Viet, secretary of the Ho Chi Minh Communist Youth Union.

[Begin Ho Duc Viet recording in Vietnamese with simultaneous translation into Spanish] We are organizing a campaign for a contribution of 5 million [currency not specified] worth of school supplies for the Cuban children. Practically all people have responded favorably to this campaign. In the beginning we organized this campaign among the youth alone, but then we extended it to the country's overall population, including the women, the aged, and state organizations. The campaign has already concluded. We collected more than $500,000, and all that money will be used to purchase notebooks, pencils, and other school utensils for children. We are now waiting for a ship to transfer these supplies to Cuba. [end recording]

Tomorrow the Cuban foreign minister will grant a news conference. Present at the news conference will also be the diplomatic corps accredited to Vietnam. Then Robaina will leave for the southern part of Vietnam, namely to Ho Chi Minh City where he will have an intensive working schedule, including a meeting with the provincial party first secretary. He will also visit the special industrial processing zone developed in cooperation with Taiwan. Robaina today also met with the minister of youth and sports, with the chief of the VCP Central Committee International Relations Commission. He indeed had an intensive working schedule, but in all these meetings the friendship and love between these two peoples have prevailed, in addition to their traditional ties of friendship.

Thank you, Cavada, and greetings to all listeners of Rebelde.

[Cavada] Thank you Rey for these expanded details of the Cuban foreign minister's activities in Vietnam.

Attends Ceremony Honoring Children

FL2203182994 Havana Radio Reloj Network in Spanish 1500 GMT 22 Mar 94

[Text] Cuban Foreign Minister Roberto Robaina today said in Hanoi that Vietnam is a nation of daring people and that within that virtue the children are also capable of challenging the U.S. economic, financial, and trade blockade against Cuba.

Robaina is paying an official visit to Vietnam during which he met with several Vietnamese officials, including Prime Minister Vo Van Kiet and Foreign Minister Nguyen Manh Cam.

In a solemn ceremony at the fatherland's building, Robaina handed over awards to the three children winners of the "On the Way to Cuba" contest sponsored by the Vietnamese Pioneers organization.

Robaina said that together with the tremendous material value of the rice and school supplies donated by the Vietnamese people to Cuba, this Asian country is an endless source of incentive with its work and spirit of sacrifice.

Further on Robaina's Activities

FL2203221994 Havana Radio Rebelde Network in Spanish 1800 GMT 22 Mar 94

[Text] Le Van Triet, Vietnamese minister of commerce and tourism, reiterated his country's promise to send 100,000 tons of rice during 1994 as part of a cooperation agreement and mercantile exchange between the two countries. During a meeting with Cuban Foreign Minister Roberto Robaina, the Vietnamese minister was optimistic as to the renewal process of the Cuban economy and underscored that his country understands the importance of maintaining the trade agreement.

Robaina also met with Nguyen Cong Tan, minister of agriculture and food industry. Both sides expressed their satisfaction with the growing atmosphere of mutually beneficial cooperation between the two countries. Nguyen Cong Tan came out in favor of boosting cooperation not only in agriculture but also in, among other spheres, construction, health, education, science, biotechnology, and maritime transport.

Robaina also met with (Nguyen May), vice chairman of the State Commission for Cooperation and Investment, who came out in favor of joint enterprises in construction and other areas before exploring other fields.

Roberto Robaina met with Vietnamese Prime Minister Vo Van Kiet. He also held talks with his counterpart, Nguyen Manh Cam. Robaina's agenda includes a meeting with the general secretary of the Vietnamese Communist Party and a news conference to wind up his tour of Asia.

Foreign Minister Robaina announced his next tour, in April, through Argentina, Uruguay, Peru, Ecuador, Chile, and Paraguay and the possibility of visiting Arab countries

Alarcon Receives Chinese Delegation

FL2203191394 Havana Radio Rebelde Network in Spanish 1800 GMT 22 Mar 94

[Text] Ricardo Alarcon, president of the National Assembly of the People's Government, has said that Cuba and China have very good relations of friendship

and cooperation and that the government, the parliament, and all other organizations in the country want to make greater efforts to strengthen those relations.

Alarcon made these remarks on receiving an economy and trade delegation from the Chinese Province of Shanxi.

Cattle Industry Reported Recovering

FL2303021594 Havana Radio Rebelde Network in Spanish 1700 GMT 22 Mar 94

["Straight Talk" program with host Carlos Santana Ojeda and guests Eloy Concepcion and Renato Recio from TRABAJADORES newspaper—live]

[Text] [Santana] Everyone knows that the Cuban cattle industry is undergoing one of its most critical periods. Why is this?

[Concepcion] I would not say most critical. I believe that the cattle industry is beginning to emerge from its most critical period. The main problem with the cattle was feed. We had developed a cattle industry in Cuba based on a breed that required mainly hay—Holstein, primarily a dairy breed.

[Santana] And this hay was imported.

[Concepcion] It was imported. When this stopped, the cattle naturally experienced the results of a lack of feed. This is the reason I said it is not that the industry is undergoing a crisis, but overcoming a crisis. I know that strong, nationwide efforts began last year regarding cattle feed. There are signs in Santiago de Cuba, Guantanamo, and certain farms in Havana, Camaguey, and Pinar del Rio that show the beginning of a significant recovery in the Cuban cattle industry.

[Recio] I would like to give my opinion about what Eloy said regarding the word crisis. What he is saying is true: The worst part of the crisis is over. The worst part of a crisis is the period of decline toward the bottom of the abyss—to employ a metaphor. The Cuban cattle industry has apparently halted its decline. However, it stopped at a very low level. I believe we have to stress this. The decline has stopped, but at a very low level. We can affirm that the Cuban cattle industry is undergoing a very, very critical period.

I will give you some points in case: The mass of Cuban cattle is extremely inferior to the ideal in any country. Cuba ought to have a cattle population proportional to its human population. We are far from having cattle proportional to our population. Any dairy production should produce a liter-per-cow rate of....[pauses] A poor quality breed should yield six liters a day and a highly efficient breed ought to yield 12, 15, or 20. Right now, our averages are lower than that of the worst of the cattle industries.

However, as Eloy said, it is true that we had dipped even lower and that in the past few months the process has stabilized and shown a gradual improvement.

[Santana] What defines this?

[Recio] Renato is partially correct. When I said that we are emerging from the crisis I was referring to the following: I believe that the first crisis we experienced in this industry was a subjective crisis on the part of the ranchers and cadres who manage it, in not understanding in time, nor taking measures in time to find alternative feeds that might not represent the full nutritional potential of hay but would still have avoided a further decline and complete destruction of the cattle industry.

For example: If you have no hay, are you going to sit on your hands and wait until the animal dies, or plant sugarcane, king grass, or protein banks and do everything possible to keep that animal alive? This is why I said that I believe the crisis is behind us. I believe that now in the cattle sector, most comrades, managers, ranchers, and dairy workers have a higher awareness.

The drop in the cattle population, which resulted in tremendous death figures in previous years, is this year experiencing a slight reduction—although not yet total. In other words, we see a certain recovery of the cattle; births are higher than deaths and more cows are becoming productive every day. More cows are in gestation. The previous decline in the cattle even lowered gestation because the severe malnutrition prevented cows' coming into heat.

From an optimistic point of view, yes, a recovery is taking place. There is a generalization of new methods. I want to stress this issue of methodology—the technology of production. We have to keep in mind that wanting and getting are not overnight things. We have to generalize technologies. Eloy mentioned that a country where cattle workers used to produce milk from a fine breed which required highly specialized veterinary care and high-protein feed based on concentrates and where grazing was not customary suddenly was forced by circumstances to change methods. It has helped tremendously to have the experience with the famous Voisin method, which we are trying to generalize nationwide in an updated form. There is not doubt that this technology is being generalized.

I want to introduce another issue because the Cuban people should be well informed about this. We not only have to change production technology. We also have to make genetic changes in the Cuban cattle.

[Concepcion] There is the example of the Nazareno enterprise.

[Recio] Eloy and I visited that enterprise recently here in Havana. This enterprise has a great responsibility because it is charged with the genetic reshaping of the Cuban cattle, from primarily Holstein to Siboney. This is the result of a cross between the high milk production of

the Holstein and the endurance and hardiness of the Zebu, which over many decades proved its efficiency in Cuba.

[Santana] You mention that there is a cattle recovery. What supports this? There is no milk. Milk is still rationed. I do not see the results and the people are saying the same thing.

[Concepcion] There is another reason for the shortage of milk. We used to import powdered milk through favorable-term accords with former socialist countries, specifically, Germany. That is the first thing. The second factor is that our own cattle herd, primarily Holsteins fed on hay, was a great milk producer. Milk supplies were higher than today. We imported approximately 20,000 or 30,000 tons of hay. We no longer have the capability to import that feed to produce milk. We have a very large Holstein cattle population that could yield higher levels of milk if we had hay.

[Recio] I also want to discuss two elements I believe we should address in this program since we are talking straight. First, I believe that increased worker welfare has also contributed significantly to this recovery. You mentioned the visit to the Nazareno enterprise. We also visited the Valle de Peru enterprise. At this services complex we saw how they have been building work tools for the ranchers, and how houses have been built at the ranches.

The other element is cattle theft and slaughter. This is truly a serious problem in many places, one that has significantly hurt our herds. It is an element we have to keep in mind. It is a situation that still has not been solved in any province, except in some specific cases. This is seriously hurting our cattle.

[Santana] You know that much has been said lately about the Voisin Rational Grazing System. As a matter of fact, this is a cattle method dating back to the sixties. Is this a valid technology for these times?

[Concepcion] Completely valid. We can add that it was so previously, from a purely technological point of view. What happened is that we lived in a world where we had certain ties with certain countries and blocs of countries and the economy imposed certain rules. We got hay and concentrates relatively easily. If under good conditions a Holstein gives over 22 liters, it makes no sense to graze. It apparently makes no sense; we cannot be absolute here.

The main point of the Voisin method, as updated, lies in the fact that Cuba is a tropical country, a country with a fertile climate, a country which can produce sufficient pasture to support, with modern, adequate technology, a considerable cattle population without imported feed and concentrates and which can attain higher production. What supports this? Not the people's having more milk. We have to keep in mind that milk imports were halted and we experienced a significant production drop of approximately 50 percent. This is not easy to restore.

[Recio] Yes. We cannot hope to restore that. This is one of the most difficult recovery process any country can experience. It takes three years for a calf to become productive. Certain things are being done. One supporting factor is the minidairy farms. We have also to implement technological changes in the minidairies and gradually eliminate those large enterprises which do not correspond to today's reality with cattle.

[Santana] We have spoken of subjective problems. However, are our cattle workers truly efficient?

[Concepcion] I do not believe they are efficient enough, yet. I believe that once again a body of cattle workers is taking shape with this new mentality, or need the country has, to use the Voisin method, to handle cattle properly, and to house the cattle workers at the ranches. This is why it is important to locate homes near the workplace, so that the workers can live there and care for those cattle. It is also important to promote workers' welfare and self- sufficiency, promote pig and chicken farming so that the entire family is available to take care of the facility. I believe that this is the type of thing that will solve this problem.

UJC Hold 6th Congress Fishing Sector Discussion

FL2103122294 Havana Cuba Vision Network in Spanish 0100 GMT 21 Mar 94

[Text] Cienfuegos youths have held their fishing sector discussion as part of the continuing Sixth Congress of the UJC [Union of Young Communists]. The young people of the fishing sector, representing the nation's different provinces, held the sector discussion in Cienfuegos Province.

Such important topics as achieving greater efficiency and productivity, taking better care of the work force, increasing the movement of innovators and efficiency experts, and confronting criminal actions took up the greatest part of the session. During their speeches, the delegates pointed out the way Cuba's young people are at the center of the nation's problems and discussed the initiatives they are undertaking.

[Begin unidentified speaker recording] I don't need to tell you that there has been a tremendous deterioration in the work force because of this crime problem. In the past three years, we have lost approximately 1,000 people, because of all these things—as many captains [patrones] as crew [lancheros] and baiters [encarnadores]. I mean, it is really quite serious. And we who need the support of the comrades from the [word indistinct] of the ministry and the comrades who are involved with these things... [pauses] We have followed up with the comrades from the UJC's national bureau and the provincial UJC bureau to try to recruit 80 young people to the center. The UJC immediately moved forward on the task. We have the 80 youths for the center, but well,

a bit... [pauses] the entry of these new young people into the center has, as we say in proper Cuban, stalled [se ha trabado]. [end recording]

Also analyzed at this fishing sector discussion was the progress of fish farming in the country—the possibilities that exist with a reservoir capacity of 9 million cubic meters of water in Cuba, in addition to all the infrastructure that has been created to produce fry. Nevertheless, there is still quite a way to go before some 40,000 tons of fish a year can be produced to supply the population. The main difficulties lie in the lack of a work force, and its instability.

The plenum resolved to create a new generation of fishermen as was done in the first years of the Revolution. The residents of Cienfuegos expressed their experience in this task, and fundamentally in developing family fish farming.

Commentary Highlights Need for Work Ethic

FL2203225094 Havana Radio Rebelde Network in Spanish 1800 GMT 22 Mar 94

[Commentary by Luis Sexto]

[Text] For almost three months and up to a few days ago, the country witnessed an uninterrupted discussion. More than 80,000 meetings turned thousands of workplaces into miniparliaments, with the workers discussing matters that have been discussed in the past, and are to be discussed again, by the National Assembly of the People's Government [ANPP]. But this was not a useless process. It has served essentially to give Cubans an awareness of the nature of national problems and of the alternatives for solving them gradually.

In a society ruled by overwhelming consensus, it is impossible to adopt measures that could in one way or another affect the economy without first consulting public opinion.

To save time, some might have recommended the use of the government's prerogatives. In other countries in the world, levying a tax or raising a price is not discussed with anyone. It is a quick and unexpected blow. In Cuba, however, the strength of the Revolution and of its regime lies in the principle that force must not be used against the people. The Revolution's strength comes from the people.

And never before has the Revolution so greatly needed the support of the people and the workers. Because of this unquestionable fact, everything discussed during the so-called parliaments in the workplace has to be turned into a platform for behavior, a guide for action in each workplace throughout the country.

Work is the lever that will boost our depressed economy. It is true that work requires material resources; that work requires a reduction in the flow of currency; and that the budget deficit must be reduced. These are unavoidable measures. Above all, however, work demands the conscientious participation of all workers.

A society that belongs to all of us and is governed by all of us requires that we join in the work effort despite the lack of resources, notwithstanding the lack of incentives and despite the lack of basic goods. Work is the guarantee that will ensure that what is lacking today will not be lacking tomorrow. A work ethic is essential. We are living through difficult times, and these difficult times demand a work ethic even more urgently.

Until the ANPP decides on the appropriate fiscal measures, each work center must be a parliament, and the workers must continue working like members of a parliament, fighting the bureaucratic mentality that impairs initiatives and gives rise to passivity, fighting everything that prevents the country from readjusting its economy through an entrepreneurial system that promotes efficiency. All this must be done today, and right now. (endall) 221800 fc/liautaud/lauck/en 22/2251

Roundup of Economic Activity

FL2203033294

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 17 and 22 March.

Radio Reloj at 3052 GMT on 17 March reports that a tourist installation, the (Villa Don Lino) on the north coast in Rafael Freyre Municipality, Holguin Province, has already met its plan to bring in $450,000 in hard currency, 1.5 months before the end of the season. The manager said there are agreements with Germany, the Netherlands, Austria, and Canada that will allow the installation to continue receiving tourists from those countries during the month of April.

Radio Rebelde at 0000 GMT on 18 March reports that Mario Medero, director of the 10 de Octubre Power Plant in Nuevitas, described as extraordinary the efforts of plant workers to find solutions to problems and increase efficiency. Last week, workers worked 14-hour shifts to solve problems in the plant, and Unit No. 3 is being repaired to increase its productivity.

Radio Rebelde at 1000 GMT on 18 March reports that 21,000 caballerias of planted sugarcane fields were hand weeded during the first two months of the year: 8,000 caballerias in January and 12,000 caballerias in February. The objective for this month is to equal or surpass the record achieved during the same month in 1980 when approximately 20,000 caballerias of cane fields were weeded.

Radio Reloj at 2034 GMT on 18 March reports that the 1993-94 potato harvest in Matanzas is going well. The province's agricultural organizations are expected to surpass 300,000 quintals by 19 March. The harvest is

scheduled to continue until mid-April in the 145 caballerias planted in potatoes for consumption.

Radio Reloj at 2057 GMT on 18 March reports that Matanzas Province has a second millionaire mechanized canecutting brigade among the National Association of Small Farmers (ANAP) forces. This second millionaire brigade is from the 19 de Abril Cooperative in Perico Municipality. ANAP has 40 mechanized canecutting groups.

Radio Rebelde at 0000 GMT on 19 March reports that Carlos Martinez Salsamendi, president of the Cuban Chamber of Commerce, and Javier Taverna, president of the Chamber of Commerce of Navarra Province, Spain, have signed in Havana an agreement for the exchange of publications of the two chambers of commerce; exchange of scientific-technical, commercial, and economic information; courses; symposia; and technical support—as well as cooperation in projects for building buses and in the graphic arts industry.

In the same newscast it is reported that under a joint management agreement between the Spanish corporation Hoteles de Espana and Cubanacan, the Camaguey Hotel in the city of Camaguey will join the Hoteles de Espana chain on 1 April. Installations in Sancti Spiritus and Holguin will also be operated under that system.

Tele Rebelde and Cuba Vision Networks at 0100 GMT on 19 March report the following:

The potato harvest has begun in Sancti Spiritus Province, which "planted close to 40 caballerias" in potatoes this time. Because better quality seed was planted this year and crops were tended better, the province expects to harvest more potatoes than last year despite the fact that a smaller area was planted.

On 18 March, the provincial bureau of the Communist Party of Cuba in Pinar del Rio Province called for an intensification of effort in the tobacco harvest, "a campaign that is becoming tough because the planting plan has not been met, yet the aim of arriving at the number of quintals promised for this year is being maintained." Over 50 percent of the 1,809 caballerias planted in tobacco in Pinar del Rio is still unharvested; and at the present time, 411 caballerias are behind as regards different kinds of tending. The availability of electrical energy to dry blond tobacco has improved in the last few days.

The workers of the Jose Antonio Echeverria Contingent are working intensely in order to finish the isotopes center—the only one of its kind in Cuba—this year. The center, located on the border of Guanabacoa and San Jose de las Lajas Munipality, will research and produce compounds for use in nuclear medicine.

Radio Rebelde at 1255 on 19 March reports that the Spanish firm (Hoteles C) reached an agreement with the National Institute for Tourism to manage and market the Camaguey Hotel in Camaguey, the (Pernec) Hotel in Holguin, and the caves of Sancti Spiritus.

Radio Rebelde at 1800 GMT on 19 March reports that Cuba and Venezuela are negotiating an agreement having to do with the specialty of ecological tourism.

Radio Reloj at 2047 GMT on 21 March reports that a group of 65 Uruguayan municipal-level unionists visiting Cuba donated a shipment of medicines and school supplies on 21 March.

Cuba Vision Network at 2320 GMT on 21 March reports that a new cane Basic Cooperative Production Unit, La Polka, has been formed in Santa Cruz del Sur Municipality, Camaguey Province, and is showing excellent results. Close to 200 caballerias of cane were planted in Cienfuegos Province during January and February. Cienfuegos' cane planting plan for January-June calls for planting 1,000 caballerias and weeding all the fields planted.

Tele Rebelde and Cuba Vision Networks at 0100 GMT on 22 March report that "thanks to Cubanacan S.A., Cuba has an international sky-diving center that guarantees that any international quality event can be held here." The center is located in Varadero and possesses the latest technology and constitutes a very attractive hub in every way. "At the official inauguration, a group of athletes from western Cuba performed sky-diving demonstrations. At the end of this month, 50 Brazilians will be diving as part of their preparations for the Latin American championship."

Military Council Makes Assessment of 1993

FL2203182594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 22 Mar 94

[Text] Toward the end of last week, the expanded military council of the Ministry of the Revolutionary Armed Forces [Minfar] held an assessment meeting where it evaluated the performance of the Revolutionary Armed Forces [FAR] during 1993. The meeting was chaired by Raul Castro Ruz, second secretary of the Communist Party of Cuba [PCC] and Minister of the FAR. The meeting concluded with a solemn and moving ceremony to promote Enrique Carreras Rolas, a hero of the Republic of Cuba, to the rank of division general.

The military council made the final assessment of all the activities of the FAR during 1993, which had already been previously analyzed in the last days of the mentioned year. The review demonstrated the gigantic and fruitful effort in the three armies with all the types of weapons that defend the national territory, which shows a strengthening of the combat capacity and readiness to successfully wage the people's war in case of enemy aggression.

Significant progress was achieved in the combat readiness of the personnel, which in Cuba includes millions of

men and women of the FAR and the reserves of the Territorial Troops Militia [MTT] and the production and defense brigades.

Last year's maintenance and conservation of equipment and arms and preparation of the theater of military operations demanded arduous and intense labor that included several million weapons and war equipment and the mobilization of hundreds of thousands of men and women in the country to build the people's defense tunnels and other fortifications.

These heroic deeds performed in 1993 are a continuation of the heroic deeds achieved in the two previous years. The results of the three years as a whole have elevated the vitality of the combat arms and equipment, and the protection of these by the combatants and the civil population in the face of eventual enemy aggression. All this was achieved in midst of the shortages of the special period.

Another important point on the agenda was the FAR's activities in the agricultural-livestock areas, which are aimed at achieving self-sufficiency among the troops. As in the past year, the food production goals for 1994 represent a 30 percent increase, which would get the FAR closer to its goal of becoming completely self sufficient. Great emphasis was placed on all military agricultural-livestock enterprises working towards reducing costs and increasing productivity and yields, which is the only way to achieve affordability and profitability. It was mentioned that the Youth Labor Army [EJT] cares for 15,000 caballerias of land throughout the country and that they produce 632,000 tons of food annually for the national economy.

The reduction of the military budget by 50 percent was another encouraging observation that the council session made. This contributes to reducing the deficit of the state budget. The elevated conduct of discipline and the moral and political state of the troops were described as satisfactory. The council was happy to verify that the work of the FAR's restructuring to adapt itself to the current conditions of the national economy was done as planned, while achieving the goal of maintaining the defensive power of the country and perfecting the FAR's efficiency and combat disposition, deepening even more the doctrinal and tactical concepts of the people's war.

The homage to General Carreras, on the occasion of his 50th anniversary as a combat pilot, highlighted his clean record, his stand against the Nazi-fascist movement, Batista's dictatorship, and U.S. imperialism, and his elevated patriotism, and revolutionary spirit. These feelings successively made him a combat pilot during World War II and the struggle against the fascist aggressors. He joined the national army when its role was defined by the Constitution of 1940 as body for the defense of national sovereignty. He joined the conspiracy that emerged from the heart of that army, as a rejection to Batista's military coup and was jailed by the tyranny for refusing to bomb the insurgent population of Cienfuegos.

In the unequal air combat against the mercenary aggression at the Bay of Pigs, Carreras had the opportunity he had hoped for since his youth: defend national independence in the most audacious and risky situation in the skies of the fatherland. He shot down two B-26 airplanes and made serious attacks on the enemy naval group. His heroism in those battles and his extensive record of service to the Revolution made him worthy of the title: hero of the Republic of Cuba. Carreras, who is 71 years old, continues to be an active member of the FAR. He is one of those generals that die with their boots on.

Division General Ulises Rosales del Toro, first substitute to the Minister of the FAR and head of the General Staff, concluded the ceremony with these words:

[Begin Rosales recording] I am sure that I speak for the Minister of the FAR and all those present when I say that together with the fearlessness and courage, honesty and firmness of principles, General Carreras has the virtue of modesty and trustworthiness of which he has become a true model and which has never been tarnished by the deserved promotions and recognitions, including the honorary title of Hero of the Republic of Cuba. For that reason, I would like to conclude my speech by expressing to Division General Enrique Carreras Solas that our party, the people, and their FAR are proud to have you among its generals. We, the officers of the FAR, are honored to be able to be your comrade in arms, and disciples of your personal example. Thank you very much. [applause] [end recording]

Present at the ceremony were Retired Division General (Hector Rios Eregnu). (Rios), who is a retired officer of the sister Republic of Argentina, is in Cuba with his family on a private visit and was invited by the Minister of the FAR to attend the ceremony.

Commentary Decries Report on Guerrilla Summit

PA2303021994 Havana Radio Havana Cuba in Spanish 0000 GMT 22 Mar 94

[Commentary by Roberto Morejon from the "Evening Information Review"]

[Text] Cuban authorities have truth as their main weapon, and, therefore, a swift and forceful denial of a newspaper report on an alledged meeting of Colombian guerrilla groups in Havana achieved its objective—to nip in the bud a spectacular maneuver to stop the swift enhancement of ties between Cuba and Colombia. Nevertheless, Cuba's initial explanations were ignored by the right-wing Colombian newspaper EL TIEMPO and other forces that strive, both within and outside of the South American nation, to spoil the friendly atmosphere between the two nations.

The highest-ranking Cuban authorities confirmed that no rebel leader, or even Bishop Nel Beltran, attended the fourth solidarity meeting held in Havana in June when, according to EL TIEMPO's version, they reportedly held a summit. Cuba's swift investigation of the Colombian

newspaper's allegations, which were repeated by some of that country's officials, shows the Cuban Government's intention to expose a maneuver that could very well be connected with the extremist groups of Cuban immigrants in the United States.

One cannot forget the reaction, tinged with hysteria, of ultra-conservative members of that community who are threatening to boycott Colombian products in the United States. Miami radio stations that respond to the interests of the extreme right-wing groups in the Cuban immigrant community have not stopped speaking about the eventual sale of Colombian oil to Cuba, which both parties were negotiating to the subsequent disgust of those who struggle to paralyze the island by the lack of fuel.

The Colombian newspaper EL TIEMPO's allegations have many dark facets, including attributing them to a military intelligence report which was later denied by the head of that department, Gen. Fernando Tapia. Also, Bishop Nel Beltran and other witnesses that remained with him in Miami during the time of his alledged stay in Havana with guerrilla leaders have rejected the prelate's participation in a meeting or his trip to the Cuban capital.

The scandal unleashed by EL TIEMPO has two chapters, the last of which has the character of a counteroffensive. It is to be expected that truth will prevail and that the newspaper will not subject its readers to a third episode of such a destructive story.

Christian Youth Groups Meet, Reject Blockade

FL2203220094 Havana Radio Rebelde Network in Spanish 1800 GMT 22 Mar 94

[Text] The U.S. blockade of Cuba has been rejected at the opening session of the fourth consultative meeting of Christian youth associations of developing nations, which is taking place in Havana. Delegates from 34 countries are participating in this meeting, which is to end on 27 March.

Fuel-Carrying Train Involved in Railway Accident

FL2203182194 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 22 Mar 94

[Report by Villa Clara correspondent Boris Fuentes]

[Excerpts] At 0617 today, 21 March, there was a railway accident in the place known as Cumbre, located in Placetas Municipality, Villa Clara Province. A train made up of 23 tanker cars full of oil coming from Cienfuegos Province crashed into another freight train, which was parked and waiting for the go-ahead. The crash resulted in serious injuries to two crew members. [passage omitted]

Of the train's 23 tank cars, only two suffered damage, and thanks to quick action taken, it was possible to save a great part of the fuel they were carrying.

Captain Ardelio Garcia, deputy provincial criminal investigations chief in Villa Clara Province, comments on the causes of the accident:

[Begin Garcia recording] It is nothing more than a violation of the railway's operating regulations. The human factor. We have seen that there was an obvious violation of the right of way. [end recording]

Just hours after the accident, the track had been put back in working order, and the material damages were being assessed.

Correction to Lazo, Ross Attend Plenum

FL2103212394

The following correction pertains to the item headlined "Lazo, Ross Attend Plenum," published in the 21 March Latin America DAILY REPORT, page 14:

Column two, fourth paragraph, first sentence make read: ...delicate matter of reducing the work force rationally, Pedro Ross explained... (rephrasing for clarity)

Haiti

ALAH's Georges Favors Acceptance of Aid, Cedras Resignation

FL2303011694 Port-au-Prince Signal FM Radio in French 1130 GMT 22 Mar 94

[Excerpt] General Cedras must resign as head of the military in order to facilitate a quick solution to the crisis, says Reynold Georges [leader of ALAH, Alliance for the Liberation and Progress of Haiti], who criticizes Raoul Cedras' attitude, which he calls that of a clan chief. In statements to Signal FM, Georges has expressed total support for the French ship carrying humanitarian aid to Haiti. The situation cannot remain entangled because of a single man, he asserts. Reynold Georges says Mr. Cedras must leave.

[Begin Georges recording, in Creole] We in ALAH agree with the aid. The reason we agree with the aid is that we cannot let the Haitian people die. We have heard that other political organizations (?oppose it.) As far we are concerned, we say no. The ship must arrive because we cannot let the people's children die. The situation is serious, there is no medicine, and if we let the people's children die, this means we are not responsible persons. There is no glory in death.

When one is a political leader, one must manage one's country for the benefit of its people. If you let the people die, you have failed. This is the reason we say that the aid must come: Those who staged the coup d'etat have not managed it for the benefit of the Haitian people. They have managed for the benefit of their friends and relatives, which we protest. This is the reason we are urging the Armed Forces once again—in compliance with

Article 265 of the Constitution—to withdraw from politics: They have proved the international community right in saying there is a military junta in Haiti.

We in ALAH have eventually come to agree with the international community that it is indeed the Army that is leading the country. People must be courageous enough to say that. If one does not speak the truth, one will not be freed. [passage omitted] [end recording]

Political Parties Reject 'Humiliation' From France

FL2203205894 Port-au-Prince Signal FM Radio in French 1130 GMT 22 Mar 94

[Excerpts] Following the announcement of the arrival on 25 March of a ship containing 530 tons of food products, a flood of reaction continues to rain down upon Signal FM. A group of four political parties made up of the National Cooperative Action Movement [MKN], the Democratic Movement for the Liberation of Haiti-Democratic Revolutionary Party of Haiti [MODELH-PRDH], the Bel-Air branch of the Movement for the Organization of the Country [MOP], and the Alliance for the Rebirth of Haiti [ARH] have rejected this humiliation that France would like to add to its sadism. France has pointed out that no people still under its hegemony have ever been brought to the brink of extinction because of the overthrow of a government. [passage omitted]

Certainly, Haiti has always hailed international aid provided as compensation within the framework of a world economic system biased in favor of the highly industrialized countries. In that regard, these parties recall that, far from making amends for the wrongs done to the race debased by slavery, France has held back the evolution of the Haitian people by requiring a very heavy payment for acknowledging the nation's independence. Nevertheless, the Haitian people have never needed charity from the descendants of the Leclercs and the Rochambeaus [French generals fought by Haitians during the War of Independence]—conclude these political parties.

This press release is signed by Volvick Remy Joseph of MKN, attorney Francois Latortue of MODELH-PRDH, Greger Jean-Louis of the Bel-Air MOP, and Alex Dominique of ARH.

Groups Organizing 'Mobilization' Against French Aid

FL2303002794 Port-au-Prince Radio Metropole in French 1700 GMT 22 Mar 94

[Text] In Haiti, a mobilization is being organized against the humanitarian aid from France. Several Haitian political organizations oppose the arrival of the French humanitarian aid, 530 tons of food products sent by France for underprivileged Haitian students. The aid will be sent to Port-au-Prince by sea and is expected to arrive on 25 March.

FRAPH [Revolutionary Front for the Promotion and Progress of Haiti] member Emmanuel Constant calls the French initiative cynical. According to FRAPH, it constitutes trampling on Haitian pride; and FRAPH added, for the information of the French Government: You are starving an entire nation, just so you can later give alms to clear your conscience.

Another organization, Capois-La-Mort, supports the FRAPH position unreservedly. Capois-La-Mort leader Frank Pierre says no to the French humanitarian aid ship and takes the opportunity to denounce France's position. France has always demanded a total blockade against Haiti.

[Begin Pierre recording, in Creole] We in Capois-La-Mort are saying no, 9 times 99 times no! We will not have this humanitarian aid ship land in Haitian territorial waters. We are [hereby] sending the French Embassy in Haiti the message—to be conveyed to President Francois Mitterrand of France—that we in Capois-La-Mort will not have this ship entering Haitian territorial waters. Therefore, we ask President Mitterrand to stop this ship now, in Guadeloupe—because the ship will just have to go right back to where it came from. It might as well even carry extra fuel, so that it does not stay even an hour longer in Haitian territory. [end recording]

On the other hand, ALAH [Alliance For the Liberation and Progress of Haiti] leader Reynold Georges has dissociated himself from the position taken by FRAPH and Capois-La-Mort. Georges thinks this French humanitarian aid could help prevent the death of children in Haiti.

[Begin Georges recording, in Creole] If a country feels it cannot let the Haitian people die of hunger and wants to offer some aid, I believe we must accept the aid—because there is no glory in death. I believe that the aid must come, otherwise many children will die; and I think the reason those people would prefer that the aid not arrive is because they want to capitalize on the death of those children.

We think the aid should come. If not, then FRAPH should give it! Along with all the other people who continue to support the coup d'etat—because since 1986 the Army has been choosing the governments and then overthrowing them [end recording].

Attorney Mireille Durocher Bertin opposes the arrival of the French humanitarian aid. [Begin Durocher recording]...consciously and categorically refuse humanitarian aid however derisory it may be, if it can prevent even a single child from dying of hunger. However, we must, it is our duty to, protest against the hypocrisy of certain nations that, after strangling us, seem to supply us with a slight breath of air for an artificial, false, derisory, temporary resuscitation.

When France—which is still calling for tightening the economic sanctions against Haiti—says that it wants to

feed 50,000 children for four months, I would like to ask France: What will happen to the other millions of children that it is starving?

They want to reduce us to our simplest expression, on the pretext of imposing on us, with Mr. Aristide's return, a so-called democracy.

France wants to punish its former rebellious colony and use it as an example to the other black nations. If they really want to help the women and children of Haiti, they should stop interfering in our internal affairs. [end recording]

Aristide Tells Commerce Minister To End 'Illegal Activities'

FL2203192294 Port-au-Prince Radio Tropic FM in French 1330 GMT 22 Mar 94

[Text] In a message to the nation dated 21 March, Haitian President Jean-Bertrand Aristide has formally ordered Commerce and Industry Minister Louis Dejoie II to put an end to the illegal activities occurring within the scope of an alleged agreement signed on behalf of the Haitian state and granting an area of over five hectares to the company (Portortuga S.A.) without the approval of the Council of Ministers. Invested with the powers bestowed on me by the Constitution, I am the manager of the independence and of the integrity of the national territory, recalls President Aristide citing Article 138 of the fundamental charter. On that score, he says, the commerce and industry minister is going against all the laws governing the matter.

Aristide Spokesman Reports President's Miami Activities

FL2303010294 Port-au-Prince Signal FM Radio in French 1130 GMT 22 Mar 94

[Text] The association of black U.S. congressmen held a dinner on Friday, 18 March, in honor of the participants of the third congress of the Black Caucus. Haitian President Jean-Bertrand Aristide was invited to the dinner, during which he made a speech in which he thanked the Black Caucus for its support for the cause of democracy. Let us listen to the details from Jean-Claude Martineau, spokesman for President Aristide.

[Begin recording, in Creole] On the evening of 18 March, the association of black U.S. congressmen, the Black Caucus, held a big dinner for everyone participating in the conference they are holding in Miami. When President Aristide entered the room, everybody stood. The president spoke to thank the Black Caucus for the support they have given the Haitian people, who are struggling for life and for democracy.

There were thousands of people in the room. The president said there is not much difference between the situation prevailing in Haiti and the situation in South Africa. After the dinner, the president went to a funeral home where a wake was under way for Daniel Buron, a democratic militant and member of the organization known as Keep-an-Eye-on-Them. Before the end of the day, President Aristide participated in two meetings: one with our compatriots working at the consulate; the other with a group working on safety. [end recording]

Airport Seizure Yields 12 Kg of Cocaine

FL2203232294 Port-au-Prince Radio Metropole in French 1700 GMT 22 Mar 94

[Text] Twelve kg of cocaine were seized by the police on 21 March in Port-au-Prince during an operation at Mais Gate International Airport. At least three people involved in drug trafficking were arrested. The drug was concealed in plastic containers full of castor oil.

Government Wants To Negotiate NAFTA Entrance as Bloc

PY2203205394 Asuncion ABC COLOR in Spanish 22 Mar 94 p 15

[Text] Industry and Commerce Minister Ubaldo Scavone said on 21 March that an eventual negotiation between NAFTA—comprising Mexico, the United States, and Canada—and Mercosur [Common Market of the South] should be conducted at the bloc level instead of the bilateral level.

According to Scavone, Paraguay upholds that negotiations should be conducted through economic blocs. Scavone thus responded to reports from Argentina—one of the Mercosur members along with Paraguay, Brazil, and Uruguay—stating that it is allegedly negotiating its entrance into NAFTA.

Asked what will be done if it is confirmed that Argentina is negotiating its entrance into NAFTA at the bilateral level, Scavone said something will be done in this regard and Paraguay may submit a claim within Mercosur.

Argentina's alleged request to enter NAFTA was one of the mandatory issues discussed by those who attended the lecture David Rockefeller gave on 21 March at the Business Administration School (EDAN).

In this regard, Rockefeller said Chile is "at the top of the list" but Argentina may be a firm candidate in view of "impressive changes" implemented in the last few years.

Scavone stated that the integration theory presupposes the achievement of a series of agreements on several issues. He said: "It was fairly easy to achieve the elimination of customs tariffs. But issues such as the establishment of a single customs tariff demand the simultaneous compatibility of macroeconomic policies. This is what Dr. Rockefeller said."

Rockefeller said the socioeconomic development of each individual country also guarantees the success of any economic bloc.

Camacho Solis Says No to Presidential Candidacy

PA2203183494 Madrid EFE in Spanish 1731 GMT 22 Mar 94

[Excerpt] Mexico City, 22 Mar (EFE)—Manuel Camacho Solis, government commissioner for peace and reconciliation in Chiapas, today said he will not seek the Mexican presidential candidacy, thus denying the rumors circulating in this regard in political circles.

At a news conference in a Mexico City hotel today, 47-year-old Camacho Solis said he will not be a candidate in the 21 August presidential elections. He also said he will not be a candidate for senator or deputy. "Yes, I would like to be president of Mexico, but not at any price," Camacho Solis stressed when he reiterated that he will not be a candidate in the next electoral period, although he did not rule out that he might run in the elections in the year 2000.

Camacho Solis said that "between seeking a presidential candidacy and the contribution I can make to the peace process, I choose peace. The decision might disappoint some, but I would reproach myself if I placed another decision above peace." [passage omitted]

Further on Camacho Solis Decision

PA2203235594 Mexico City NOTIMEX in Spanish 2255 GMT 22 Mar 94

[Text] Mexico City, 22 Mar (NOTIMEX)—Manuel Camacho Solis, government commissioner for peace and reconciliation in Chiapas, denied today that he seeks to be a presidential candidate in the upcoming 21 August general elections.

Local newspaper reports had reported the possibility that Camacho might be one of the contenders in view of his primary role in the Chiapas peace process and that political analysts had included him in the list of "presidential hopefuls."

"The decision I am making might disappoint some people, but I am certain that they would reproach me if I were to place any other interest above the topic of peace," Camacho stated in statements to newsmen. He also dismissed the possibility of occupying a Senate seat and said he will dedicate his efforts to peace in Chiapas, where an armed group occupied several towns and attacked a garrison early this year, prompting the Mexican Army to step in.

Camacho was appointed by President Carlos Salinas de Gortari as commissioner for peace and reconciliation in Chiapas on 10 January. After intense negotiations he achieved a preliminary agreement which will be analyzed by the government and the armed group.

"Without this (political) definition, it would be difficult to continue my work in favor of peace in Chiapas," Camacho added. His position is independent of the government [words indistinct] refusal to participate in the elections. The commissioner noted that "if it is noted that my priorities include being a presidential candidate, it could harm the peace process" in Chiapas where over 100 persons were killed.

Some 42 million voters, a little less than half of the country's population, will go to the polls on 21 August to elect a new president, new deputies, and part of the Senate.

The candidates in the elections will be Luis Donaldo Colosio of the ruling Institutional Revolutionary Party, Diego Fernandez de Cevallos of the National Action Party, and Cuauhtemoc Cardenas of the Party of the Democratic Revolution. There are two female candidates: Cecilia Soto of the Labor Party and Marcela Lombardo of the Popular Socialist Party. Other hopefuls are Rafael Aguilar of the Cardenist Front for National Reconstruction Party, Pablo Emilio Madero of the National Opposition National Union, Alvaro Perez of the Authentic Party of the Mexican Revolution, and Jorge Gonzalez of the Ecologist Party of Mexico.

Colosio Issues Communique Commending Camacho Decision

PA2303161294 Mexico City XEW Television Network in Spanish 0435 GMT 23 Mar 94

[From the "24 Hours" newscast]

[Text] Luis Donaldo Colosio, presidential candidate for the Institutional Revolutionary Party, commented in Culiacan on 22 March on the statement by Mr. Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas.

[Begin Colosio recording] Many of you have asked me for my reaction to today's public statement by Manuel Camacho Solis, so I have written a communique that I want to read to you. I will begin by saying that Camacho Solis' public statement confirms his absolute devotion to the tasks of conciliation and pacification with which the president entrusted him, thus confirming that our government has undertaken in earnest the construction of a lasting peace in Chiapas. It also recalls that the path to creating the conditions necessary to uproot the problem is still a complex one. The problem has caused so much suffering for Mexicans that handling it allows no room for distractions, as the commendable work by Camacho demonstrates. In my opinion, unity among Mexicans must prevail to successfully face the Chiapas problem. Everyone must act in solidarity with those who are striving to achieve that purpose. As I have said on other occasions and as I reiterate today, Camacho Solis is the best man to build a just peace in Chiapas because of his convictions, sensitivity, and negotiating ability. Camacho Solis is a man of great ability and political commitment who has performed outstanding services for the country and will continue to do so. I am certain that all Mexicans will widely commend the successful conclusion of the negotiations in Chiapas, as we regard national unity and peace as the nation's path to progress.

As for us, we will continue onward with our proposal for unity, the future, renewal, and the hope of a freer and more just Mexico. The options are clear: Ours consists of a proposal for a broad center, for the future, for democracy, and for greater justice for all regions of our country, in all its diversity and pluralism, so we can advance in the change the people truly want. The other proposals belong to the past: a past of statism, bureaucracy, inefficiency, irresponsibility, populism, pessimism, acrimony, and resentment. Other proposals represent an even more remote past, a past of privilege. They only manage to offer government by the few for the few. Because Mexico has changed and continues to change, we will lead the country to the future it deserves by recognizing the state's new role: the power of reform, strengthening federalism and the balance of power with stability, and, most of all, with the priority objective of bringing more justice and welfare to the nation. In view of the above, I am today calling on all Mexicans who support my proposal to join the campaign. I call on you to join with conviction and enthusiasm. I am particularly calling on those who hold a strong conviction for democratic change and wish to promote a new consensus to transform the country. I call on you to unite and join this program I have proposed for the nation.

There is room for you in this campaign for the future. There will be room, opportunities, and tasks to help reinforce the nation for you in the government that we will win democratically. The new organizations of society, the citizen who is now seeking to contribute to the actions of a new constructive and tolerant policy, should know that you will find in me the firmest support now and in the years of toil we have ahead to make Mexico great. Thank you. [end recording]

Chiapas Gubernatorial Elections Rescheduled for Oct

PA2203164594 Mexico City Radio ACIR Network in Spanish 0000 GMT 22 Mar 94

[From the "ACIR Radio News" newscast]

[Excerpt] Acting Chiapas Governor Javier Lopez Moreno spoke today in Tuxtla Gutierrez, capital of Chiapas, about the Chiapas electoral process scheduled for 21 August and the presidential elections that will be held throughout the country. Lopez Moreno said conditions have forced authorities to reschedule Chiapas gubernatorial elections two months after the previously scheduled date. He warned, however, that there will not be another acting governor in the state because the people are against it.

Juan Carlos Antollo was in Tuxtla Gutierrez, Chiapas this morning. He is now back in San Cristobal de las Casas, one hour from the Chiapas capital, and filed this report on what is happening in Chiapas. Good evening, Juan Carlos, how are you?

[Antollo] Good evening. After traveling a road with 326 curves and three straight segments, we made it to San Cristobal de las Casas, Chiapas. As you pointed out, it was said today that there will be no more acting governments in this state. It was decided that the gubernatorial elections, which some proposed be postponed until 1995, will be held this year in October. This will guarantee that the transition of state executives is made within the timeframes established by the Chiapas Constitution.

Chiapas Government Secretary Pablo Salazar Mendicoechea made the aforementioned statements while disclosing a report that Governor Javier Lopez Moreno will send to the Chiapas Congress. Salazar Mendicoechea said the governor held a series of meetings throughout the state during which it was decided that this year's gubernatorial elections would be held in October instead of 1995. The document added: This decision was made because right now the state is facing difficult situations. If these situations are indeed taking place, however, the electoral process should go on as mandated by law.

[Begin Moreno recording] For this particular occasion, we propose that the gubernatorial elections be held on Sunday, 16 October. The local deputy and mayoral elections will be held as scheduled in August 1995. No more acting governors will be appointed because most Chiapas residents are against that. There will be new electoral legislation that will allow equality in political campaigns, new prerogatives for parties, reliability in electoral organizations, and credibility in the results. [end recording] [passage omitted]

EZLN Communique Rejects Government's 'Humiliating Peace'

PA2303042194 Mexico City LA JORNADA in Spanish 22 Mar 94 p 8

["Text" of communique issued by the Clandestine Indian Revolutionary Committee-General Command of the Zapatist National Liberation Army to the State Council of Indian and Peasant Organizations from "southeastern Mexico" on 19 March]

[Text] To the State Council of Indian and Peasant Organizations (CEOIC), all honest Indian and peasant organizations of Mexico, the Mexican people, brothers:

The Clandestine Indian Revolutionary Committee-General Command of the EZLN [Zapatist National Liberation Army], respectfully requests that you accept this humble greeting from our fighters in the mountains of southeastern Mexico.

We raised our weapons and our faces to tell the usurping government that we are tired of so many lies. They have sold us a big farce all these years. Now they want to crown it with a humiliating peace. We don't want it; we have known that peace for over 500 years. We know what it costs and the scant benefits it reaps for our territory and our people. Those who were never here now want to come to our mountain, to buy us with handouts in exchange for leaving our brothers of other lands and

colors. They want to buy our struggle and our blood with remnants of justice, handouts of liberty, and promises of democracy.

We want to greet you, we the smaller and faceless ones, we want to ask that since you are there in front of the arrogant palace of the usurper and the bad government, to please tell them that the Zapatists do not sell themselves. The Zapatists do not betray anyone and do not surrender. Explain what it is to be a Zapatist to the bad government. Clear up their doubts; cry out with us to tell all the truths; take up our voice, brothers, to speak to all Mexicans. Tell them that to our will for peace the supreme government responds with war signals, that it raises lies to our truths, that it continues to arrest us unfairly, that it continues to fill its prisons with Indians, that bloodletting continues in our territory. Brothers, the government lies! It continues its war against our cause. The whiteness of their hands is false, because it is stained with the blood of our brothers.

Indian brothers of these Mexican lands, poor peasants who are rich in honor and dignity, accept this step of ours so far from the cities and laurels, receive our greetings, fill your hearts with our song. Hear us brothers, we speak from the mountains. Take your voices to those who have nothing. Let all of the Mexican territory rise up.

Greetings, brothers of CEOIC! Greetings, Indian brothers! Greetings, Mexican brothers! Liberty! Justice! Democracy!

Respectfully, from southeastern Mexico, the Clandestine Indian Revolutionary Committee-General Command of the EZLN.

Mexico, March 1994.

[Signed] Rebel Subcommander Marcos

Factors Threatening Peace Identified

94CA0085A Mexico City LA JORNADA in Spanish 26 Feb 94 p 12

[Commentary by historian and Chiapas specialist Antonio Garcia de Leon: "Chiapas: Insurrection Encourages New Conflicts"]

[Text] The most recent events in Chiapas indicate that the initial armed rebellion has turned into a broader, more peaceful, and more widespread civil insurrection that does, however, create a complex scenario of dangers and intermediate actors. The attacks on newsmen and the lynching threats against the university caravan are just the most visible element of a tense plot that could drive the entire region into a new theater of combat. First, the shock wave of the initial explosion, which has not yet faded, evidenced the regional (and national) absence of the rule of law and even of a state apparatus that could take responsibility for solving problems. In this context it is very significant that Don Samuel Ruiz is sought after today by Indians, peasants, and workers all over the country as an intermediary in dealing with a government that has been conspicuous by its absence or that simply fails to acknowledge its responsibility to anyone. This is even more significant because one of the government's tactics has been to set up several "autonomous commissions" and "consensus-building boards" that are substituting for already existing institutions and that will supposedly help to ease the conflict and to develop, at last, sectoral solutions for ethnic groups around the country.

A sort of honeymoon period of civil liberalization and rebirth inspired from below was created regionally in this vacuum. The new context evidenced the nature of the authoritarian regime, the true essence of regional cacique power, which has been sustained for several years from the center and has been embodied in the PRI [Institutional Revolutionary Party] governors, the chiefs of small groups that have broken every law and laid waste to Chiapas at their whim. The spontaneous municipal revolt (which has now spread to a third of the state's municipalities), the teachers' rebellion, the protests by the employees of several services, the blockades of creditor banks and roads, the takeovers of ranches and large and mid-sized landholdings in Chilon, Simojovel, and elsewhere, and widespread civil disobedience, etc., have now created an environment of change that has exposed the parallel structures of the State in Chiapas: complicity and corruption, the partisan contracts awarded to several cabinet secretaries (among them, the construction firms of the Zedillo Ponce de Leon family), the indiscriminate looting of public coffers during the administrations of Castellanos and Gonzalez Garrido, the fraudulent dummy companies, the systematic violation of human rights, and in particular the existence of a complex array of armed parapolice groups in the city and the countryside (the so-called "white guards") that receive weapons, training, protection, and even lands from the state and federal government and that derive at times from the very disintegration of the peasant movement, which has accelerated over the past three or four years.

Chiapas once again seems to be a boiling cauldron whose special hue colors all of the forces that are remodeling themselves there. The sudden emergence of a dissatisfied citizenry is also a relatively new phenomenon (although it does have powerful forerunners in the 19th and early 20th century), because "civil society" there has expressed itself over the past 20 years almost exclusively through the peasant movement and certain fiercely persecuted opposition newspapers. The weakness of this emerging civil society, which lacks mediating sectors between the peasants and the State apparatus, which is far removed from civic-electoral matters, and which is just barely beyond the control of the State party and its elaborate networks, also explains some of the fragility of the new balances. Paradoxically as well, the strong and recurring peasant social movement reflects the entire

range of hopes and dangers and very possibly foreshadows the scenarios of the immediate future; all of the paradoxes and contradictions of Chiapas society are mirrored in it.

We can say today that the peasant movement, which has regrouped around the 280 associations that make up the State Council of Indian and Peasant Organizations (CEOIC), has a very diverse makeup, as no more than 14 organizations in it truly go beyond the local or municipal level. And although its components range from simple cooperatives and production units (and several sham groups) to more or less independent regional organizations and three overtly official ones, they all have in common a treatment of political matters that is a factor today in the movement's structural weakness and in several immediate dangers. It is on this weakness that the corporative control of the old PRI mainly rested, lubricated in recent years by the economic disbursements of Pronasol [National Solidarity Program]. As a result, the bridges that could link this widespread movement to the civic-electoral arena and thus allow for the honest election of a civilian governor of Chiapas do not, in fact, exist today. The two basic currents that began it, the radical leftist organizations of the 1970's and the so-called Mass Line, have come together here to reject a political-electoral approach. The former feel that such a struggle is "bourgeois" or a losing cause from the outset against the backdrop of a "farce." The latter are deliberately disregarding politics so that they can pursue what they have called the "policy of the two faces" (or the thousand masks), which consists of turning the peasant economic movement over to the networks of official "consensus-building," financial corruption, and the captive, corporative PRI vote. When the Salinas administration took office, some of the local advisers to the latter became second-rank federal officials of Pronasol, Sedesol [Secretariat for Social Development], or the CNC [National Peasant Confederation] and established their control over the official part of the Chiapas peasant movement: Peasant-Teacher Solidarity (Socama), ARIC [Rural Associations of Collective Interest]-Union of Unions, and to a lesser extent, the state CNC.

It is for these and other reasons that in recent days the CEOIC has become one of the hubs of the Chiapas problem in discussions and battles between those who are calling for an independent, unified peasant movement and those who are trying once again to yoke the entire movement (as if nothing had happened) to the networks of the State apparatus, of the Permanent Agrarian Council (CAP), of the ruling party, and of the "advisers" of PRI and Pronasol. For the time being, in spite of opposition by the majority, attempts have been made to overturn peasant support for the besieged Zapatists (unconditional backing by the main Indian groups in the CEOIC for the EZLN [Zapatist Army of National Liberation]). Efforts have also been made to thwart the "plan of action" of protests, marches, rallies, peaceful takeovers, and widespread resistance and to legitimize in the CEOIC's eyes the presence of advisers to President Salinas de Gortari (such as Javier Gil of UNORCA [National Union of Autonomous Regional Peasant Organizations] and of the CAP) or to bring in as leaders of the process the "Three Wise Men" of the "autonomous" commission (appointed, but of course, by Salinas and Gonzalez Garrido on 8 January): writer Eraclio Zepeda, Patrocinist [partisan of Patrocinio Gonzalez Garrido] anthropologist Andres Fabregas, and Castellanist [partisan of former Governor Absalon Castellanos] Senator Eduardo Robledo, who is also seeking the PRI nomination for state governor.

In this context, the nascent CEOIC, which has achieved a fleeting unity that would have been unthinkable before the explosion (inasmuch as the movement was seriously divided and at odds), would paradoxically be the "natural base" of support for rebuilding PRI domination in Chiapas. The philanthropic ogre is thus endeavoring to lead its "favorite sons," the peasants of Chiapas, once again down the sinuous pathways of the "Laberinto de la Pronasoledad" [Labyrinth of Pronasolitude].

The promises of loans and aid of all kinds, the control of some leaders, the promotional roundup and transporting of people to the presidential residence, Los Pinos, Sedesol's gift of 10 vans to the CEOIC, and many other promises and traps are already being strewn in the path of this nascent organization, this brand-new grass-roots alliance that will have to become one of the guarantors of a local transition to democracy. Nevertheless, most of the groups that make up the CEOIC (the rank and file much more than their advisers), including the battered state CNC, are still alerting domestic and international public opinion "to prevent the CEOIC from becoming another of the instruments of control and manipulation that the federal and state governments are using to avoid addressing the real causes of the social, political and military violence that is wounding Chiapas and the country." (LA JORNADA, 16 February 1994, p 14)

If the horizon were to become even more cloudy and if the fancy footwork that the Salinas advisers are doing were to be successful (once again plugging up the hole that the insurrection has opened up in society), some of today's clouds could turn stormy and develop into extremely dangerous situations, such as a turbulent regional civil war. This depends on the evolution of the State's two policies towards the conflict: the mediation of Manuel Camacho Solis, on the one hand, and the political-military siege of the insurgents, on the other. The former policy is weakened by the fact that it binds only the current government (and the Executive Branch more than the subordinate Legislature and Judiciary), which also has just a few months of nominal power left. It is constrained by the fact that the meager legal representativeness of the "mediator" and the EZLN could turn the negotiations into mere "sessions." The latter could turn into a structural solution that in the long run would lead to a low-intensity counterinsurgency that would seek to involve the communities in the highlands and the forest, especially after a military assault on the regions controlled by the rebels.

This scenario, unfortunately, is not being ruled out and is already to be seen in several respects: the tightening of the military siege and the creation of the 38th Military Zone in Tenosique; the erratic, irresponsible actions of the government of Absalon Castellanos's former education secretary, Javier Lopez Moreno (appointed from the center, like his corrupt predecessors and accomplices); the traditional repression of the civilian insurrectionists in the municipalities; Los Pinos support for the traditional caciques; and the false promises to "audit" the humblest representatives of a true Mafia (the mayors and lower-level officials), without even trying to do anything about the widespread impunity of the State apparatus in the region (it has always enjoyed a complete, permanent amnesty).

The greatest danger, however, looms in the regions in conflict, in which the Salinas administration has not renounced violence as a solution. The forerunner of the future counterinsurgent "civil patrols" (which resemble the ones that are laying waste to the Guatemalan countryside today) was created in Ocosingo in 1992 to deal with the agrarian insecurity prompted by the ongoing invasions of ranches and estates. Called the "Citizen Defense Unions," they were armed and trained, according to the ranchers themselves, by the Federal Army and can already claim several evictions and assaults, as well as prior confrontations with the Zapatists. The next step can be seen coming: using the official peasant organizations in the forest region, especially the ARIC-Union of Unions (which is bitter over the support of several of "its" communities for the Zapatists) to provoke confrontations, to create an unpopulated corridor by relocating refugees, to intone official propaganda (which would be pro-peasant and pro-Indian) against the rebels, to administer the new disbursements of Pronasol, and to manipulate the displaced persons (as the pro-PRI ranchers in Altamirano, Ocosingo, and Las Margaritas have already done). All of these actions would pave the way for the final "siege and annihilation" of the rebels by the Federal Army.

There is still time to prevent such a scenario if the government acts in good faith, if the peace negotiations pan out, if intelligent, creative actions are taken (a democratic opening, participation of all parties and forces in a new social pact, comprehensive agrarian reform...), and if the basic premise is that we are looking at a radically new situation. But if the Federal Government remains "tied up in knots" and thinks only about the partisan interests of the small "interest group" and its multimillionaire sponsors or if it continues to act as it has, perpetuating landowner domination of Chiapas and the wild-eyed centralism and presidentialism of the president and his friends, who have done so much harm to the country (in a word, the ignoble peace before the explosion), then we will be hurtling towards a precipice that could engulf the country in violence for several years.

As the rebels have been proclaiming since 1 January and the citizens of the entire country have been proclaiming for some time now, a solution to the Chiapas conflict is possible only through a true national transition to democracy. Political parties, which have been overtaken by events, must realize that the fate of the entire nation is at stake in Chiapas and that it is not just some minor obstacle on the campaign trail. It is that easy and that difficult.

Agriculture Secretary Notes Need for Self-Sufficiency in Food

PA2303022094 Mexico City LA JORNADA in Spanish 18 Mar 94 p 54

[Report by Antonio Quevedo Susunaga]

[Excerpt] Culiacan Rosales, Sinalon, 17 Mar—Agriculture and Hydraulic Resources Secretary Carlos Hank Gonzalez has cautioned, "Mexico must become self-sufficient in food because it would be very dangerous to have to depend on another country, even if it is a friendly country." The secretary issued this warning during his speech at the ceremony in which Jorge Kondo Lopez, a state leader of the Federation of Agricultural Associations of Sinaloa State, presented his second work report.

Hank said, "Self-sufficiency in food means producing what is necessary to feed our country." He recalled that four years ago, Mexico had to import beans, and that this was very difficult to do because of international shortages.

He said: "We do not want the country swamped with foreign products; we must import only what we need." He said that although at this moment it is advantageous to import basic materials, machinery, and seeds, the ideal situation would be to not require any imports. [passage omitted]

Roundup of Economic Developments

PA2303005694

[Editorial Report] The following is a compilation of reports on Mexican economic developments monitored through 22 March.

According to a 1993 Mexican Petroleum (Pemex) report, Mexico is willing to sell its entire stock of crude exports to the United States as long as U.S. market prices for Mexican oil are best for the country. In 1993, Mexico sent almost two-thirds of all the oil it sold abroad to the U.S. market. The nation's overall income from oil and petroleum products in 1993 was $5.992 billion. (Mexico City UNOMASUNO in Spanish 21 Mar 94 p 15)

Mexico's oil reserves decreased between 3.5 and 4 percent in 1993. Nevertheless, the decline was not as sharp as in previous years. Pemex Director Francisco Rojas announced at ceremonies marking the 56th anniversary of the Mexican oil industry's nationalization that Mexico currently has oil reserves of 64.769 billion barrels. Energy industry sources say the decrease in the

reserves resulted from meager investments in the exploration and production of oil, despite the discovery of new deposits. (Mexico City UNOMASUNO in Spanish 18 Mar 94 p 19)

Pemex Director Francisco Rojas says oil production in Mexico declined last year by 14 percent. Rojas attributed the decline to the "worst cyclical depression ever experienced by the petrochemical industry worldwide and Mexico's economic recession." President Carlos Salinas de Gortari spoke at the same event—the 56th anniversary of the Mexican oil industry's nationalization. He reiterated that "oil is a strategic resource for our great nation and will continue to be the exclusive property of the Mexican people." Salinas added that oil has remained a nonnegotiable point in NAFTA. (Hamburg DPA in Spanish 0037 GMT 19 Mar 94)

President Carlos Salinas de Gortari has announced in Tlaxcala that the National Foreign Trade Bank and the Secretariat of Commerce and Industrial Development, Secofi, will redouble its efforts to allow more medium-sized and small businesses to enter the North American, Central American, and European export markets. (Mexico City XEW Television Network in Spanish 0430 GMT 12 Mar 94)

Fernando Heftye, Secofi's director of foreign investments, says that through February foreign investments in Mexico amounted to just over $4 billion, which could increase to $15 billion by year's end. Heftye said at least 20 countries are interested in signing bilateral agreements to protect and promote investment but that a formal negotiations process has not been initiated. Among the countries interested, he said, are Germany, Great Britain, Switzerland, Italy, and Spain. (Mexico City EL FINANCIERO in Spanish 17 Mar 94 pp 1, 6)

Jacques Lecomte, European Union, EU, ambassador to Mexico, says Mexico's exports to Europe decreased by 17 percent in 1993 because of the economic recession in the region. This decline in sales also slowed the Mexican economy and fostered uncertainty among Mexican businessmen prior to the signing of NAFTA. Lecomte said the EU has not conducted studies on the impact NAFTA will have on the EU-Mexican trade balance, but, he added, telecommunications will be among the most adversely affected areas. Lecomte concluded that the European countries would like to increase their exports to Mexico. (Mexico City NOTIMEX in Spanish 0242 GMT 16 Mar 94)

French Ambassador to Mexico Paul Dijou says French investors and bankers would like to establish themselves in Mexico because NAFTA has made it a strategic point for investments. They are considering opening branches or establishing partnerships with Mexican banks. Dijou toured Puebla State to sign technological cooperation agreements with the Autonomous University of Puebla. (Mexico City NOTIMEX in Spanish 0148 GMT 16 Mar 94)

Mexico's industrialization process has remained at a standstill over the past 13 years. Today, high technology exports total 60 percent of the country's total exports. Mexico's participation in the international market with sophisticated technical equipment is limited by the industrial underdevelopment in Latin America. (Mexico City EL FINANCIERO in Spanish 16 Mar 94 p 3A)

The nation's airlines are not ready to deal with the increased shipping of merchandise under NAFTA. Domestic cargo service by domestic airlines decreased 3.8 percent over the past two years, while foreign airlines increased their cargo services by 30 percent over the same period. (Mexico City EL FINANCIERO in Spanish 16 Mar 94 p 21)

EL FINANCIERO conducted an economic analysis based on Bank of Mexico information that shows prices of nearly one-third of the basic food basket staples increased at an annual rate of 11.2 percent in January—a rate 3.7 percent above the national inflation index for consumer prices. Increases in the prices of corn meal, cookies, rice, oats, powdered milk, margarine, and other items all contributed to lowering the people's purchasing power. (Mexico City EL FINANCIERO in Spanish 17 Mar 94 p 3A)

Costa Rica

Roundup of Costa Rican Economic Developments

PA2203194394

[Editorial Report] The following is a compilation of reports on Costa Rican economic developments monitored through 22 March 1994.

Finance Ministry authorities have reported that at the end of January, the country's gross foreign exchange reserves were $1.043 billion, $15.1 million more than at the beginning of the month. Tourism has brought in many new dollars, and there have been important investments, the same authorities explained. (San Jose LA REPUBLICA in Spanish 12 Mar 94 p 11A)

Finance Minister Jose Rafael Brenes has reported that Costa Rica's internal debt grew from 182 billion colones in 1992 to 242.7 billion colones in 1993. In terms of percentage of GNP, the total public debt dropped from 79 percent in 1991 to 70.55 percent in 1993. The internal debt grew from 20.47 percent in 1991 to 23.64 percent in 1993, and the foreign debt fell from 58.6 percent to 46.9 percent. (San Jose LA REPUBLICA in Spanish 13 Mar 94 p 12A)

Foreign Trade Minister Roberto Rojas has reported that the Mexican enterprises operating in Costa Rica generate approximately $523 million, approximately 8 percent of this country's GNP. (Mexico City NOTIMEX in Spanish 0905 GMT 16 Mar 94)

El Salvador

Police Storm Polling Center Seized by Opposition

PA2203214994 Mexico City NOTIMEX in Spanish 1618 GMT 22 Mar 94

[Text] San Salvador, 22 Mar (NOTIMEX)—Riot police this morning stormed a polling center that had been occupied by the opposition in Jucuapa Municipality in the eastern department of Usulutan. Opposition groups have accused the National Republican Alliance (Arena) government of committing fraud in Sunday's general elections.

Members and supporters of the Farabundo Marti National Liberation Front (FMLN), the Unity Movement, the National Conciliation Party (PCN), and Christian Democratic Party (PDC) yesterday occupied a school facility where ballot boxes were being stored.

FMLN member Ricardo Samayoa said riot police broke down the main entrance of the school while residents of Jucuapa, in the northern part of Usulutan, surrounded the building to prevent police from taking the ballot boxes to San Salvador. Samayoa added that no one was injured or beaten in the incident. He said members of the right-wing Arena party marked hundreds of ballots before voting began two days ago in nationwide general elections to elect a new president, mayors, and deputies. "All of the political parties were able to confirm this. We found several Arena members with several marked ballots before the voting process began," he said.

The ballot boxes were being guarded by representatives of opposition political parties demanding that the Supreme Electoral Tribunal [TSE] annul the elections in this municipality in the eastern part of the country. They warned that if the TSE does not annul the elections in Jucuapa, those parties that took part in the elections in this region will elect a municipal government by consensus. The TSE has not issued a statement on this incident, which is unprecedented.

So far, the ruling Arena party has garnered 49.18 percent of the votes counted up until Monday afternoon to elect the president and vice president. The leftist coalition comprising the FMLN former guerrilla organization, Democratic Convergence (CD), and the National Revolutionary Movement (MNR) has obtained 25.66 percent of the votes, while the PDC has obtained 15.94 percent. The TSE has announced the possibility of a 24 April runoff in which the Arena and leftist coalition candidates will compete for the presidency.

FMLN Official Comments

PA2203231894 San Salvador Radio Cadena YSU in Spanish 1230 GMT 22 Mar 94

[Text] We have a last-minute report. Jucuapa riot police stormed the entrance of the Saul Flores School where the ballot boxes are located, according to members of the FMLN [Farabundo Marti National Liberation Front]. Ricardo Samayoa, of the FMLN Political Committee, said the people began to gather in front of the school building and added that there have not been any major incidents.

[Begin recording] [Samayoa] Riot police and members of the civilian National Police, whose actions are being repudiated by the residents of Jucuapa, broke into the school building where the election ballots were being held. This incident is evidence of the fraud that Arena [Nationalist Republican Alliance] has tried to stage in this town as well as in the rest of the country. The residents of Jucuapa are opposed to this. There have been clashes with members of the civilian National Police. We call on the international community to take note of the incident that is occurring at this time in the town of Jucuapa.

[Unidentified reporter] The ballot boxes have still not been taken to the Supreme Electoral Tribunal [TSE]?

[Samayoa] The ballot boxes are inside the building, but the entrance has been damaged. The locks have been destroyed and the door was damaged in an attempt to take out the ballot boxes. The people, however, have gathered there to prevent them from doing so and to observe what the riot police are doing. [end recording]

The police authorities have still not made a statement on the case. The TSE and the UN Observers for El Salvador had already challenged these votes.

TSE Announces Runoff Election for President

PA2203233694 San Salvador EL DIARIO DE HOY in Spanish 22 Mar 94 pp 3, 31

[Text] After counting 73 percent of the total valid votes cast on Sunday, Luis Arturo Zaldivar, Supreme Electoral Tribunal [TSE] president, announced that a runoff election to choose the president of the Republic will be necessary.

"None of the parties with the possibility of winning have attained the percentage demanded by law to secure victory. Therefore, all tendencies lead to the possibility of a runoff election. The TSE already has a budget earmarked for this, and as of this very moment we are making preparations for the event," the official added.

With regard to the problems or shortcomings charged by some of the political parties, he said that these can be overcome in the new election and that the TSE is willing to correct the errors that could have been committed at voting time. Nevertheless, he emphasized that the noted problems do not have serious repercussions on the final results of the election and that these are normal in any activity of this nature.

With 73 percent of the votes counted, Armando Calderon Sol garnered 49 percent; Ruben Zamora of the FMLN [Farabundo Marti National Liberation Front]-Convergence-MNR [National Revolutionary Movement] coalition received 26 percent; and Fidel Chavez of the PDC [Christian Democratic Party] received 14 percent.

"The preliminary results clearly indicate that the tendency is in favor of Arena [Nationalist Republican Alliance]. It has been made clear that we continue being the choice of the Salvadoran people," said Calderon Sol.

To win in the first round for the Presidency, 50 percent plus one vote is required. Whoever is elected will replace President Alfredo Cristiani on 1 June for a five-year period.

FMLN's Villalobos Comments on Elections

PA2303033794 San Salvador Radio Maya Vision in Spanish 0045 GMT 23 Mar 94

[News conference by Joaquin Villalobos, leader of the Farabundo Marti National Liberation Front, with unidentified reporters on 22 March at the Presidente Hotel in San Salvador—live or recorded]

[Text] [Villalobos] As time goes by we are receiving detailed reports—48 hours after the elections—on how the elections were conducted. These reports led us to conclusions beyond those that we reached on 20 March as the results were released. We had an informal agreement that as preliminary results were being released we could analyze the elections. Our plan was to make an assessment before the results were released. In our assessment, we reported that some citizens were unable to vote. No one can estimate the number of people who could not vote. We have an indication, though. For instance, we have a list of people who approached an ONG [expansion unknown] and were unable to vote despite having their voter registration cards. The list was prepared over a few hours and describes incidents at a polling station in La Union Department. This list includes about 200 people who had their voter registration cards but could not vote. The exclusion of voters is the first anomaly we reported in the elections.

As time goes by, we are receiving other reports. For example, a critical case involves the Jucuapa Municipality, Usulutan Department. Two Arena [Nationalist Republican Alliance] members, whose names I know, were caught red-handed. One of them had poll watcher credentials, and the other was a member of a voting table board. They were caught with a large number of Arena ballots that were in the box. This incident prompted... [pauses] in the Jucuapa case, there are ballot boxes that had more votes than the number of votes that each box was supposed to have, that is, there are boxes that had more than 400 votes. This also happened in other communities.

The Jucuapa incident prompted the raid on the town's mayoral office at a time when all ballot boxes inside. [sentence as heard] Members of all opposing parties, including the CD [Democratic Convergence], the National Solidarity Movement, the Unity Movement, the Christian Democratic Party, and the FMLN, staged a protest together, because we were worried that the ballot boxes could be taken away and tampered with.

There are also a large number of reports on minors who had voter registration cards. There are also reports on people who came to vote and realized that someone else had voted for them. We are receiving a number of votes... [pauses] in other communities, we found ballots marked on the front that were supposedly lost. We found them and are using them as proof.

The most serious report consists of Arena ballots already marked that were placed in the boxes. The other serious report consists of FMLN ballots that were lost. Everything indicates that more ballots were printed than were needed. There was a plan to print ballots twice. However, at the moment we cannot determine how large this operation was. We know that the ballots were printed by the Laser Printing Company, whose owner is General Alejandro Vides Casanova, former defense minister and former National Guard chief. We must emphasize that we reported this earlier. We opposed printing the ballots there. Our position called for the ballots to be printed abroad.

[Reporter] What are you denouncing?

[Villalobos] We are denouncing a fraud whose extent we have not yet been able to determine. This afternoon, we

filed protests to contest results in various places. In the department of... [pauses] in San Miguel Municipality, Mr. Garcia Prieto took 15 ballot boxes home with him. We are contesting those 15 ballot boxes.

[Reporter] Where are those boxes from?

[Villalobos] From San Miguel Municipality, from the city of San Miguel.

[Reporter] [words indistinct] number of anomalies, in other words...

[Villalobos, interrupting] We are proceeding through legal means. This afternoon we filed protests in various places. The problem is that this kind of fraud, depending on how extensive it truly is—and granted, it is true that it may not affect the final outcome of the presidential election, and we cannot determine this anyway—nevertheless, it did indeed affect mayoral and deputy elections, because these elections can be decided by 10 votes, six votes, 20 votes, or 50 votes. This is a very complex situation.

More important is that we are extremely worried because Arena has claimed to have won 42 deputy seats. This claim conflicts with our vote count. According to our count, Arena has won 37 deputy seats so far, while the FMLN has won 23 deputy seats.

It worries us that on the very night of the elections the PCN [National Conciliation Party] claimed to have won up to 14 deputy seats. At this time, we think all of these anomalies are designed to establish a majority between the PCN and Arena in the Legislative Assembly. This would constitute very serious and substantial fraud.

Guatemala

President Reacts to U.S. Warnings to Tourists

PA2203223894 Guatemala City Teleonce Television in Spanish 0400 GMT 22 Mar 94

[From the "Telepress" newscast]

[Text] One of the changes in top positions within the security forces is the appointment of Salvador Figueroa, the new director of the National Police. This has all occurred at a time at which the United States insists on classifying Guatemala as a country that is risky for foreign tourists. Regarding this matter, President Ramiro de Leon Carpio has said:

[Begin De Leon Carpio recording] This is something that has not really been defined yet. The travel advisory has not really been established yet. What they have said is that a warning was issued because of the problem with stealing children, the smuggling of minors, and other illegal activities involving Guatemalan children. It is exclusively for that reason. It is exclusively for the United States because somehow some U.S. individual was involved. A travel advisory has not been officially established.

On the contrary, I read an interview with the Guatemalan president in THE MIAMI HERALD today. Comments on this were completely favorable, especially those by the executive director who was here for the Inter-American Press Association meeting. He spoke about the advantages of Guatemalan tourism.

So those reports are not true. There has been some exaggeration on this topic, not here but abroad, specifically in the United States. [end recording]

President, Defense Minister on Guerrillas

PA2203184094 Guatemala City Teleonce Television in Spanish 0400 GMT 18 Mar 94

[From the "Telepress" newscast]

[Excerpts] President Ramiro de Leon Carpio said Thursday [17 March] that the government's military victory over the guerrillas is certain. The president made this remark in Mexico City on the last day of his official visit during a breakfast with Latin American and Caribbean diplomats accredited in Mexico. [passage omitted]

De Leon attended this breakfast with the officials who accompanied him to Mexico, including several ministers. He said his government is intent on establishing true democracy and preserving institutions. The president assured his government respects human rights, but that the armed conflict represents a constant threat to those rights. [passage omitted]

The diplomats attending the breakfast showed great interest in De Leon's remarks. Some ambassadors posed questions at the end of the meeting with the Nicaraguan president; one was about the future dissolution or reduction of the Guatemalan Army.

[Begin recording] [Jose Ernesto Fonseca Pasos, Nicaraguan ambassador to Mexico] [Question indistinct]

[De Leon] The reduction in the Army in our case is not (?feasible) [words indistinct] in general is not possible because even those countries supposedly without armies have them. Our Constitution clearly establishes its presence and that there should be only one army. It does not accept any other armed or unconventional group. For this reason, this topic has no reason for being. As for the first part, the Armed Forces have discussed a readjustment or even a reduction. We are conducting a study in line with the Guatemalan Army plans and the conditions that will exist. To be sure, the armed conflict has to end to achieve that.

It is not possible to ask an army to shrink its size so long as subversion exists or an enemy exists within the country. Much has been said about the Civilian Self-Defense Patrols [PAC], and [words indistinct] that they should be disbanded. They are part of Guatemala's

military defense. They are persons who have grouped together. Much has been said about the voluntary nature of these groups. The human rights ombudsman, who replaced me, recently conducted a survey, and the result was tremendously surprising in terms of the voluntary manner in which the members joined the PAC, which are currently called Voluntary Civil Defense Committees.

A lot has been said about dissolving the PAC's because of the abuses perpetrated by some of their members—which is true, I admit. I am aware of this and have issued instructions to the effect that when such abuses are perpetrated, when PAC members take advantage of their position and perpetrate illegal acts or crimes, they must be prosecuted as would any other citizen. However, it would be illogical and naive to eliminate groups that have prevented the progress of subversion. Many groups in Guatemala and abroad have called for the dissolution of the PAC's and I have always said that such a request is the result of either naivete or a desire not to hinder the progress of subversion.

The PAC's have demonstrated to the entire world that it is possible to counteract and prevent the progress of guerrilla warfare, so much so that many countries are imitating them. Unfortunately—and I say unfortunately because this sort of guerrilla warfare has also taken place in other countries—they are imitating the actions of a people who, angered by their sufferings, their orphans, their lives, etc., have organized for preventive purposes.

An Army in Guatemala, or anywhere in the world, would find it difficult to control the progress of terrorism, but already in those areas where these civilian groups have organized they have unquestionably contributed militarily to the defense effort and have prevented the progress of subversion. This is why, militarily speaking, the war against subversion has been won. The subversives have been militarily defeated. I would like to add, although the minister of defense will discuss this in greater detail, that we have already decided to establish PAC's in areas that are free of subversion. Two-thirds of our nation's territory is free of subversives and there are no PAC's in the remaining third. [sentence as heard] Therefore, the PAC's have gradually become committees of peace and development, they are very well organized and in the future could prove very advantageous, no longer with weapons but for the economic and social development of their communities. I would like the defense minister to expand on this issue.

[Defense Minister Mario Rene Enriquez] [passage omitted] Concerning the dissolution, reduction, reorganization or retraining of the Army, I have certain views, Messrs. ambassadors, regarding the manner in which the Guatemalan Army should be reorganized once we have overcome the insurgent threat, and a bill to this effect will be presented to the president. The constitutional president of the Republic has already ordered the implementation of many of these actions, and besides fulfilling a constitutional mission, I believe this reorganization will allow for (?relocations) and the strengthening of certain areas, such as [words indistinct], which will be protected in a more effective manner and the Army will be able to exchange quantity for quality.

These plans are already under way and include the educational systems at our military academy and our university or military training center. No one will be able to graduate as an officer unless he follows the curriculum [words indistinct] of a liberal education. No one will be able to take an (?advanced) course, let alone the General Staff course, if he does not have a bachelors or masters degree in any of the liberal arts.

This plan, gentlemen, is already under way. However, this education system will also be extended to specialists and soldiers because our plan is to reduce time in service, to make military service truly voluntary, and to thereby preclude complaints. I am aware that at this time many of our plans for the Army bear the heavy burden of [word indistinct] and depoliticization, but this is because there is still an armed conflict in Guatemala. However, we have planned numerous improvements which include, pardon the repetition, an exchange of quantity for quality within the Guatemalan Army, which the president is aware of and which, moreover, he has approved. I will not speak any further because I do not want to take up any more of the president's time. Thank you very much. [end recording]

Defense Minister Said URNG Possibly Linked to EZLN

PA2203142094 Guatemala City PRENSA LIBRE in Spanish 19 Mar 94 p 15

[Text] Defense Minister General Rene Enriquez Morales, in disclosing the results of his trip to Mexico, mentioned the possibility that Central American guerrillas—among them the URNG [Guatemalan National Revolutionary Unity]—could be involved in the Zapatist guerrilla rebellion in Mexico. Enriquez Morales, who was part of the presidential entourage, said the possibility that the URNG supports the Zapatist National Liberation Army (EZLN) has not been ruled out. According to what was said in Mexico, other movements with similar tendencies also advise the EZLN.

The general added that it is no secret that the URNG used Mexican territory as its sanctuary and he pointed out a guerrilla arsenal had been discovered in Mexico, which was later identified as belonging to the URNG. Enriquez Morales added: We do not have hard evidence that the URNG participated in the conflict. Nevertheless, according to conversations with the Mexican defense secretary, when the issue was discussed, this possibility has not been ruled out.

Border security problems were also discussed, and in this case, Mexican authorities expressed their willingness to cooperate with Guatemala to set up immigration controls and security on the almost 1,000 km Mexican border. The general added that this issue was given top

priority because there is still a rebel presence in the border areas which facilitates the smuggling of fine wood from the Peten forrests. Mexican cooperation would involve establishing customs and immigration posts to protect the southern border, particularly because of the importance this has in context with NAFTA.

President Makes Changes to 'Security Cabinet'

PA2203214794 Hamburg DPA in Spanish 1910 GMT 22 Mar 94

[Text] Guatemala City, 22 Mar (DPA)—Guatemalan President Ramiro de Leon Carpio made changes to his security cabinet in an attempt to resolve the high crime rate existing in the country, which consists of cases of theft, assaults, kidnappings, and other criminal activities.

The new government (interior) minister [El nuevo ministro de gobernacion interior] is Danilo Parinello, a former Constituent Assembly deputy, who said he accepted the post (considered to be the most difficult in the cabinet) because of his friendship with President Ramiro de Leon Carpio. He added that even though he has no experience in the area of security he will carry out the best possible actions. He announced the creation of an immediate reaction group to take care of emergencies that may appear.

Colonel Mario Alfredo Merida was appointed the new deputy government minister. He has experience in military intelligence. Former Justice of the Peace Salvador Figueroa was appointed police director.

The high crime rate is one of the leading problems confronting the government of Ramiro de Leon Carpio. Some sectors have pointed out that unemployment and extreme poverty suffered by the majority of the population are some of the reasons for the high crime rate.

New Government Minister Announces Emergency Crime Plan

PA2203232894 Guatemala City PRENSA LIBRE in Spanish 22 Mar 94 p 79

[Text] Following new Government Minister Danilo Estuardo Parinello Blanco's appointment last night, the government announced an emergency plan to fight crime, the appointment of a serviceman as government vice minister, and the replacement of the director of the National Police.

Hector Luna Troccoli, the general secretary of the Presidency, was called upon to swear in new Government Minister Parinello Blanco, who then swore in Colonel Mario Alfredo Merica Gonzalez as the new government vice minister.

The government also announced the removal of Mario Rene Cifuentes Echeverria as general director of the National Police. Salvador Figueroa, who took his oath of office before Minister Parinello, replaces Cifuentes.

In an interview with reporters, the minister admitted he was lacking experience in public security, but he said he is assuming his post with the greatest commitment to fighting crime. He also noted that there is close friendship between him and the president.

Contents of Emergency Plan

The emergency plan announced last night comprises six phases, all of which will be implemented in the near future. The first is the Holy Week Plan, which is designed to provide security during Holy Week and Easter festivities in urban areas and along highways. A large number of policemen have been assigned to this task.

Another phase is the creation of an Immediate Reaction Team that will include a specialized 300-man mobile force trained in fighting crime head-on. A new investigative and seizure unit also will begin operations.

The plan includes cataloguing and repairing internal police radio communications equipment. Meanwhile, Phase 6 deals with police force vehicles, all of which will be dedicated to civil order patrols.

The plan, according to Parinello Blanco, will be launched immediately. The Immediate Reaction Team will not be a repressive force, but a preventive force. We will aggressively crack down on crime wherever it occurs.

De Leon Says Salvadoran Elections Strengthen Democracy

PA2203163194 Panama City ACAN in Spanish 2223 GMT 21 Mar 94

[Text] Guatemala City, 21 Mar (ACAN—EFE)—Guatemalan President Ramiro De Leon Carpio said here today that the Salvadoran general elections strengthen the democratic process in that country and in Central America.

Despite the results, "is it a step forward in the consolidation of democracy. The political participation of those who were in the mountains is an example for the world," the chief of state added.

"The mere fact that they held elections without a war is a great step forward," the president told reporters at the presidential palace.

Alfonso Cabrera, secretary general of Guatemalan Christian Democracy [DCG], told ACAN that the elections represent one achievement of current President Alfredo Cristiani in the triumph of democracy.

"Now it is the political parties' responsibility to ensure the welfare of the people and to consolidate democracy," the political leader said. Cabrera believes ARENA will win if there is a runoff election.

Sidney Shaw, leader of the Union of the National Center, told ACAN that his party is pleased that 50 percent of the people voted and that this is a sure path toward peace.

"The sad thing is that we are still at war in Guatemala, but hopefully in the next elections (1995) we will have the guerrillas registered as a political party," he stated.

Shaw said that if there is a runoff election in El Salvador, there is a possibility that the leftist coalition headed by the Farabundo Marti National Liberation Front (FMLN) may win, because the DCG could offer to support it.

He noted, however, that ARENA is strong and might obtain favorable results.

Roundup of Economic Developments

PA2203183794

[Editorial Report] The following is a compilation of reports on Guatemalan economic developments monitored through 22 March.

Deputy Economy Minister Irma Toledo said on 10 March that, based on a study by the Finance Ministry, the government would have to allocate 700 million additional quetzales in 1994 to grant public employees the 300 quetzales salary increase they are demanding. Toledo stressed that: "Public employees have been told that it is impossible to meet their demands because to do so would mean setting aside social investments, which the government is not willing to do." (Guatemala City PRENSA LIBRE in Spanish 11 Mar 94 p 94)

An official source said today that the Guatemalan monetary authorities agreed to make the exchange system more flexible by liberalizing the public sale of foreign exchange, which is regulated by the Central Bank. Willy Zapata, president of the Guatemalan Central Bank and the Monetary Board, indicated that the new measure will go into effect on 17 March. Zapata rejected the possibility that the measure will trigger an increase in the exchange rate or a flight of foreign currency. (Mexico City NOTIMEX in Spanish 2305 GMT 15 Mar 94)

Nicaragua

Genie Murder Trail Continues

H. Ortega Testifies

PA2203170794 Managua LA PRENSA in Spanish 21 Mar 94 p 1

[Report by Eloisa Ibarra A.]

[Excerpts] The chief of the Armed Forces has testified for the first time in connection with the Jean Paul Genie case, after refusing to go before a civilian judge and three and a half years later. As you may recall, Jean Paul Genie's death occurred on 28 October 1990 at approximately 2045 on the highway to Masaya, when the young man reportedly tried to pass General Humberto Ortega's motorcade. A barrage of bullets riddled the young man's body killing him instantly. Fifty-two cartridge shells were found where he was killed.

Ortega, wearing military garb, arrived at the Army's Public Relations Office where he had been summoned by Dr. Lester Gallo, the military prosecutor in charge of the investigation. Shortly before testifying, as requested by the accusers who were represented by Dr. Daniel Olivas Zuniga, Ortega read a 12-paragraph public letter establishing his position on the events that are currently under investigation. [passage omitted]

The Public Relations Office room where the Genie trial is being held was too small for the number of local and international journalists who covered the general's statements. Once Ortega sat in the defendant's seat, he had to answer the customary questions everyone involved in a trial is asked: where he was and what he was doing at the time of the crime.

Ortega, like all of his personal bodyguards charged with the crime, told the judge, defense, and prosecution lawyers he was at home on the night of the crime. Ortega said he went to Colonel Lenin Cerna's house that evening but Cerna was not home because he was out of the country. He then went to the general command where he stayed until he went home. He got home early in the evening.

Further on H. Ortega Testimony

PA2203192494 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 22 Mar 94

[From the "National" newscast]

[Text] The military prosecutor in charge of the case of the murder of Jean Paul Genie today applied a precautionary measure to General Humberto Ortega.

Today, Gen. Ortega for the first time presented himself at the Military Prosecutor's Office to testify on the case of the young Genie. The Army chief testified for more than five hours regarding the charges of his alleged responsibility in the Genie killing. The general said that on the day Genie died, 28 October 1990, he was in his residence. He said the Army has been supporting the Investigative Commission as a result of conversations he has had with other high-ranking officers and in response to a request from former Government Minister Carlos Hurtado.

During the lengthy questioning, the prosecution asked about the Army chief's movements and the administrative structure of the Army. At the end of the interrogation, Prosecutor Lester Gallo ordered precautionary measures against Gen. Ortega.

[Begin recording] [Ortega] In my case, having assumed my own defense, the precautionary measure ordered by

the Military Prosecutor's Office is to limit my movements for a lawfully established period of time in my home town, which is Managua.

[Raymond Genie, father of Jean Paul Genie] As we see it, house arrest is not important. The magnitude of the sentence must correspond to the magnitude of the crime. These moves are aimed at earning much public attention and at producing international effects to later shun the matter. [end recording]

H. Ortega Under House Arrest

PA2203191994 Managua Radio Sandino in Spanish 1200 GMT 22 Mar 94

[From the "Events" newscast]

[Text] Judge Advocate Lieutenant Lester Gallo has ordered that General Humberto Ortega be placed under house arrest after Ortega was interrogated as a witness. The warrant states that Gen. Ortega cannot leave Managua without prior authorization of the judge advocate.

Prior to his interrogation, Gen. Ortega had left [deposito] his post in order to face the trial at the General Headquarters Secretariat of the Sandinist People's Army, which is headed by Colonel Alvaro Baltodano Cantarero.

Major General Joaquin Cuadra Lacayo has immediately taken over as chief of the Army. Cuadra Lacayo is also chief of the general staff and second in command of the Army.

The military chief said that the charges by the Genie family against the Army and his person are following the interests of extreme rightist sectors that want to destroy the military organization and him personally.

H. Ortega: Trial Attempt To Ruin Army's Image

PA2203141994 Managua Radio Nicaragua Network in Spanish 1200 GMT 22 Mar 94

[From "This Morning" newscast]

[Text] Army Chief General Humberto Ortega said he is willing to show the national and international public that the death of young Jean Paul Genie is being used in an effort to mar Ortega's image and that of the Army. Gen. Ortega said that the fact that he responded to a summons to testify at the Judge Advocate's Office shows respect for the law and an interest in the thorough clarification of the case.

[Begin Ortega recording] An effort is being made to tarnish my image and that of the Army by taking this case to the OAS International Court. They are trying to see how they can do something (?adverse). On the contrary, the law is being respected in this case. We are complying with the law.

The Genie case first went to the civil courts, then it was sent—as the law stipulates in Nicaragua—to the Judge Advocate's Office. The case was then passed on to the Supreme Court of Justice, which confirmed the civil judge's ruling that the case should be reviewed by the judge advocate. So I am here today, and my presence is evidence of the fact that we are responsibly complying with Nicaraguan law. I think that is what is most important. It has also allowed us to ratify our commitment to the Army in the public letter I signed. The letter clearly stated my position on the fact that this case has been politicized. The goals being pursued have nothing to do empathy for the Genie family. It is really an effort to use the family's sorrow to harm the Army and to mar our image. [end recording]

Deputy Minister To Testify

PA2303013694 Managua Radio Corporacion in Spanish 2300 GMT 22 Mar 94

[From the "Five O'Clock Sharp" newscast]

[Text] Deputy Foreign Minister Jose Bernard Pallais has been summoned to testify in the Jean Paul Genie murder trial. The judge advocate today summoned Pallais to testify as a witness in the trial against eight security escorts of General Humberto Ortega, chief of the Nicaraguan Army, for the murder of a young man in 1990.

At the time of the crime, Pallais was deputy government minister and was involved in the investigations, according to Judge Advocate Lieutenant Lester Gallo, who explained to Pallais the reasons behind his being called to testify. The military court last month opened the trial in connection with the death of Jean Paul Genie Lacayo, who was sprayed with gunfire when he attempted to drive past a military caravan along the road to Masaya on the outskirts of Managua. Gen. Humberto Ortega made statements [words indistinct] as a defendant, and, after the inquiry concluded, the judge advocate asked him not to leave Managua. This was interpreted by the press as a form of house arrest. The restraining order will be in force throughout the duration of the murder trial, which, according to defense attorney Mariano Barahona, could last anywhere from three weeks to more than a month.

Deputy Foreign Minister Pallais is a member of the Tripartite Commission created by Violeta Chamorro's government to investigate the murders of former contras, which took place between 1990-1992—murders to which members of the EPS [Sandinist People's Army] have been linked. This commission also includes members of the Catholic Church and the OAS, and it has pointed its finger at the EPS as a violator of human rights in light of the fact that the EPS failed to try those soldiers allegedly responsible for the murders.

Details of Restraining Order, Testimony

PA2203222994 Managua EL NUEVO DIARIO in Spanish 22 Mar 94 pp 1, 8

[Article by Oscar Merlo: "Precautionary Measure Against Humberto"]

[Text] General Humberto Ortega, commander of the Sandinist People's Army [EPS], has been forced to sign a restraining order issued against him by Judge Advocate Lieutenant Lester Gallo. In signing this order, Gen. Ortega has agreed not to leave his quarters. If he does, he could face stronger restrictive measures.

In what is an unprecedented event in our country's legal history, Gen. Ortega took the stand donned in an impeccable military uniform on which his laurels and stars glistened. Ortega gave a deposition—which lasted nearly six hours—as a defendant [indiciado] in the Jean Paul Genie Lacayo murder trial.

Following the session, Judge Advocate Gallo issued the restraining order, which some journalists have interpreted as giving Ortega "the city for a jail." This also failed to satisfy the plaintiff.

In announcing the order, Gallo cited Articles 92, 98, and 100 of Section 2 of the Judge Advocacy Organizational Law under the Provisional Military Procedural Code, as well as Article 34, Section 4 of the Constitution as legal grounds for his action.

The judge advocate said the order was issued because of the specific nature of the defendant's occupation and because he has assumed his own defense.

The measure against Gen. Ortega prohibits him from leaving the capital unless he has permission from the judge advocate and only in cases related to performing of his duty, for health reasons, or for self-improvement purposes, such as when his studies take him outside of Managua.

Once the restraining order was announced, Humberto Ortega held a news conference and said he accepted the order only to clear the EPS' name, which Ortega said some have sought to tarnish by taking the Genie case to the Inter-American Human Rights Court.

The military chief said his taking the stand as a defendant in no way lessens his authority as Army commander.

On the contrary, he said: "The law recognizes those who honestly submit to it. In no way is it degrading to comply with the law and justice."

Humberto Ortega argued throughout his deposition that the accusations filed against him and eight members of his security escort in connection with the death of Jean Paul Genie are purely political in nature.

Before entering the courtroom, Gen. Ortega disclosed a letter in which he denies any wrongdoing whatsoever in the Genie murder.

He also made it clear that this case was "a tangible example of how political hatred and revenge have made it possible to use this tragic and painful event, which still must be clarified, as a shameless weapon to escalate the campaigns directed at destroying the EPS."

Asks To Be Relieved of Duties

Humberto Ortega also referred to a letter he sent on 18 March to Colonel Alvaro Baltdodano, secretary general of the EPS General Command, asking to be relieved of those duties directly linked to military justice because he considered this to be "a legal and moral obligation." In other words, the Army chief asked to not be informed, as the law mandates, about any direct or indirect action related to the Genie murder trial.

In this letter, Gen. Ortega said he accepted the judge advocate's decision to summon him to testify as a defendant in keeping with Article 22 of the Military Organization Law, which, among other things, states that the EPS commander in chief must respect and obey, comply, and, within the Army, ensure compliance with the Political Constitution, constitutional law, and other laws.

His Testimony

Humberto Ortega started to testify at 1100 sharp. He replied to nearly identical questions posed to the others by the judge advocate and Dr. Olivas Zuniga, who, in this case, were the ones who spent the most time interrogating the officer.

Although he remained seated for several hours, Ortega appeared serene, and, with aplomb, he answered all questions posed to him on his alleged connection to the slaying of Jean Paul Genie.

He was coherent in his statements, and, apparently, he managed to exasperate Dr. Olivas Zuniga and Mr. Raymond Genie, who are receiving counsel from two other lawyers and a representative of the ANPDH [Nicaraguan Human Rights Association], an anti-Sandinist human rights organization.

Humberto Jose Ortega Saavedra—47, five feet, 11 inches tall, born in Juigalpa, Chontales—described himself as "a professional in political and military affairs."

His criminal record only shows prison sentences imposed by the Somozist dictatorship for his revolutionary activities that led to the toppling of Anastasio Somoza Debayle on 19 July 1979.

The Army chief's statements about his schedule on 28 October 1990—the day of the murder—agreed with those of his bodyguards. It was at last known why he had stopped by the home of Col. Lenin Cerna, even though he was out of the country on that day.

According to Humberto Ortega, he entered the home of Cerna, who was single at that time, to pick up several documents that would be useful for a meeting with demobilized members of the Nicaraguan Resistance the next day. Ortega explained that he had keys to Cerna's home for security reasons.

During his testimony, Ortega rejected reports issued by the Venezuelan Commission, which "investigated" the

case in record time and even issued conclusions, and by the Tripartite Commission headed by the current Deputy Foreign Minister Jose Pallais. Ortega described both groups as "biased and politicized."

H. Ortega's 'Public Letter'

PA2203230894 Managua EL NUEVO DIARIO in Spanish 22 Mar 94 p 4

["Public Letter by General Humberto Ortega Saavedra"—EL NUEVO DIARIO headline]

[Text] 1. The Genie case merits enough concern for me to make public my position in this regard, particularly taking into consideration the serious situation prevailing over the entire national territory. This is the result of the economic, political, and social crisis which Nicaraguan society is desperately experiencing.

2. The Genie case is a clear demonstration of how political revenge and hate have made possible the use of a tragic and painful incident—not yet cleared up—as a shameless weapon to heighten the campaigns that attempt to destroy the Army that I command with honor. This is also an attempt to damage my image formed in the 1960's during the revolutionary struggle for a worthy and better nation for all Nicaraguans.

3. The Genie case demonstrates how far the radical minority can go with its lies and appalling maneuvers aimed at crushing the EPS [Sandinist People's Army] by judging and then destroying it. That vengeful minority has attempted in vain to make innocent persons into guilty persons. They have resorted to using the family of young Jean Paul Genie as an instrument without really caring about the terrible pain that the tragic death of a loved one causes.

4. The vengeful minority has irresponsibly attempted to convert the innocent figure of Jean Paul into a political weapon against the EPS, lacking respect for the memory of a youth whom I am totally certain never would have agreed to be a pawn of those petty politicians.

5. The Genie case has also stirred up those in the United States who have pretended during more than a century to have at their whims Nicaraguans' dignity and national pride. They, the Helmses and the like who insolently dismissed the ruling of the International Court of Justice at The Hague, attempt to put us on the international stand. This is to humiliate us and to serve as a warning to the people throughout Latin America who firmly wave the Bolivar flag for independence, self-determination, democracy, and economic development with social justice.

6. The Genie case has opened the way to violate the human rights of EPS officers. Although innocent, they have been submitted to systematic pressures by lies and false accusations—that also adversely affect our families—through the diverse media in our nation attempting to make us relinquish our indomitable moral.

7. The Genie case is added to the campaign that the radical minority is waging through the well-known Tripartite Commission and the alleged defense of human rights. The goal is to politically and morally bring discredit to the officers and the rank and file of the Nicaraguan military institution.

8. The Genie case unfolds at a time when the EPS, for the sake of reconciliation and total peace, has been the key instrument used by those who have laid down their weapons to move towards demobilization and to become integrated into the nation's normal life by pardoning serious crimes they have committed. Meanwhile, the vengeful minority pretends that innocent persons should be condemned within the framework of the Genie case and the Tripartite Commission.

9. As those seeking revenge continue to manipulate the Genie case, Nicaragua, for *basic national security reasons,* must face the grave situation the country is experiencing and avoid a widespread collapse that could immerse Nicaragua in anarchy and abject poverty. Stability will undoubtedly enable Nicaragua to create the wealth needed to gradually defeat poverty and the underdevelopment accumulated during a century of misunderstanding, war, and all kinds of conflict.

10. The extremist minority manipulating the Genie case opposes the Nicaraguan majority that wants *total peace, security, and order* within the framework of a *disciplined de jure state.* These things are necessary to jumpstart the economy—and, in particular, to encourage agricultural production—as well as to attract much-needed foreign investments, because financial cooperation is scarce and is quickly tending to disappear.

11. This same vindictive minority, which is manipulating the heartfelt passions that surround the Genie case, also is hindering production, which is crucial to combat the nation's very serious unemployment. Moreover, how can there be sufficient basic production to stabilize the nation if reconciliation and socioeconomic consensus are not achieved among the main sectors of the nation, including the political, socioeconomic, labor, and institutional sectors?

How can we engender production without resolving the property issue or, moreover, without resolving the situation of thousands of peasants, repatriated people, former Army members, and former RN [Nicaraguan Resistance] members who are demanding urgent solutions to issues involving property titles, loans, and other economic matters?

How can there be production if a few wealthy people take advantage of the crisis to accumulate land and capital at the expense of wrecking the work of producers and large and mid-sized businesses?

What will happen to the tens of thousands of citizens whose livelihoods depend on their small businesses, shops, and farms? What will happen to salaried workers?

12. *Everybody* must overcome the Genie case's exploitation by the enemies of peace and unite to preserve Nicaragua. May the bloodshed of today be used as an irrevocable commitment to ensure that this same blood, instead of dividing us, brings us together, thereby enabling the children of those of us who have fought to the death to never have to do such a thing again. All of us must accept one another in a new Nicaragua—a new Nicaragua we all must begin forging today.

I end this public letter hoping that the memory of Jean Paul will not continue to be manipulated in a vindictive manner.

[Signed] Sincerely, Humberto Ortega Saavedra

[Dated] 21 March 1994

Unidentified Gunmen Kidnap, Kill Municipal FSLN Official

PA2303001594 Panama City ACAN in Spanish 2318 GMT 22 Mar 94

[Text] Managua, 22 Mar (ACAN-EFE)—Unidentified gunmen today murdered Cesar Barahona, the Sandinist National Liberation Front's [FSLN] political secretary in Wiwili Municipality, near the border with Honduras. FSLN sources report that the body of Barahona, who was kidnapped yesterday by a group of rebels of unknown political affiliation, was found by Army troops in Aguas Rojas, some 7 km from Wiwili.

Barahona was killed while carrying a list of regional delegates who are to participate in the FSLN's special congress in May. According to political sources, the activist could have been kidnapped and murdered for "being a Sandinist." Police have not released any official explanation.

Demobilized Soldiers Occupy Italian Embassy Grounds

PA2303045094 Managua BARRICADA in Spanish 22 Mar 94 p 4

[Article by Alfonso Malespin Jiron]

[Text] Italian Ambassador to Managua Gianguido Lanzani had two farewells. The first was on Sunday. The second came yesterday morning around 0930. The last farewell had not been announced, and instead, it was chaotic, brief, and unpleasant.

A total of 34 former soldiers of the Movement for the Defense of National Sovereignty (MDSN) trespassed into the gardens of the Italian Embassy to demand the fulfillment of the agreements signed in October in exchange for their demobilization.

These agreements include the delivery of 240 Italian packages (construction materials valued at $500 per package), food packages (each valued at $80), and 3,000 cordobas for each rifle turned in.

According to the former soldiers, some of whom were involved in last September's kidnapping of UNO's [National Opposition Union] top leaders, some former soldiers were told they would be "attended to" first and, after that, the rest.

One of the former soldiers standing near the Montoya monument said: "None of the three things promised have been given to any of us. They said that one month after our demobilization, which occurred in October, they would give us a response... but as of now, we have not received anything."

Violet Chamorro's government also promised them a 3,000 manzana security zone... "but we have received nothing up until today," said one of the group's spokesmen. "Instead, they evicted us from San Cristobal, where we had begun planing.... Those crops are now lost."

At 1040, after a brief discussion with Subcommander Manuel Ledezma, head of patrols in Managua, only one negotiating commission remained at the embassy. The demobilized soldiers remained standing outside the embassy in the scorching Lenten sun.

The Cenidh [Nicaraguan Human Rights Center], from which the former soldiers sought mediation, rejected the soldiers' actions as being illegal, although Cenidh considered their demands fair. Cenidh Director Vilma Nunez said she understood their frustration, especially taking into account the manner in which the government is now negotiating with El Chacal [3-80 Northern Front rebel leader Jose Angel Talavera].

At approximately 1330, after negotiators Edwin Gomez, Fidencio Duarte, and two Italian Embassy officials returned to the Special Disarmament Brigades [BED] Headquarters, an agreement was announced: "We will meet at BED Headquarters on Tuesday at 1000 to discuss the timetable for commitments to be met."

The atmosphere was bittersweet. One of the men, angered and frustrated, said: "If this time they fail to keep their promises, we will return to the mountains, and then they will have to fulfill the commitments."

Watson, Camdessus 'Created More Confusion Than Hope'

PA2003165394 Managua LA PRENSA in Spanish 18 Mar 94 p 12

[Article by Horacio Ruiz: "Two Visits and Only One Enigma"]

[Text] [U.S. Assistant Secretary of State for Inter-American Affairs Alexander] Watson and [IMF Director Michael] Camdessus arrived in Nicaragua this week; their visits produced enigmatic statements and no solution or prospect for better times. On the contrary, it seems that upon entering Nicaragua's polluted air both gentlemen lost their sense of direction and started

speaking erratically that, at least for this observer, has created more confusion than hope.

We do not know if this is a common situation, but we cannot help commenting on the fact that Watson referred to the Sandinists as "a legally constituted political party" in Nicaragua. In other words, he came to give us old news. In reality, Sandinism has been legal for a long time, so long that it is legally registered, it has definite legal representation, and has lost 2 to 1 in the electoral field since 1984. In other words, it has lost two elections and won one, and in that one it did not have a real contender.

Mr. Watson is gone, and we do not know why he came to give us that kind of news. When he tried to take the bull by the horns, it was disastrous. General Humberto Ortega was bold enough to tell him to his face that he will not tolerate another situation like 2 September 1993, when the legitimate Nicaraguan President, Violeta de Chamorro, hinted, not ordered, that she would like Gen. Ortega to resign in 1994. In other words, Gen. Ortega discounted the top civilian authority in the country in front of Mr. Watson. Ortega, who had already insolently rejected President Chamorro's suggestion, now clearly repeated his response to the State Department. Those who live on illusions say that Gen. Ortega already knows he must leave and that he was just bragging in front of the Yankees. Frankly, it is difficult to be that optimistic. Ortega is not an actor, and as things stand now, he could very well resign in 1994 but then again he may not.

Having given the people's representation to the National Assembly to the Sandinists, Ortega could even become a presidential candidate, with his general stars and all. There is no real obstacle to that if he decided to become Nicaragua's dictator. Those who sold the people's electoral victory in 1990 would not be able to stop him because they did not stop him in 1990 when they should have.

We thought Camdessus came to sign a document entitled ESAF [Enhanced Structural Adjustment Facility], which requires no translation, but according to experts is the last hope for the country's economy even though it includes a tremendous increase in the severe tax system confronting Nicaraguans.

Camdessus, however, came to tell us that the ESAF would not be signed in March as the government expected, but maybe in June. What is ESAF? Apparently, large sums of money obtained through long-term credits at very low interest rates. The surprising part was that Camdessus, who apparently knows nothing about Nicaragua either, also came to tell us that we have already asked for too much and to tell us that "we must save." Save what? White collar workers are burdened with taxes, can barely cover their needs, and have nothing left to save. As for blue collar workers, they not only lack the funds to save; they have no jobs to survive. Although some economic sectors have managed to save some money, they did it during better days and they are firmly protecting those funds so as to avoid falling in the complete depression that lays ahead should the ESAF not be signed and Gen. Ortega decides to ignore the calls to submit his retirement, both valid possibilities.

In other words, Mr. Watson and Mr. Camdessus came here, very deferentially, to tell us that the Sandinist party is a legitimate party and that we should save. That is really impossible. The only way we as a nation could start saving is by implementing drastic reductions in the country's costly Armed Forces, which is headed by Gen. Ortega, who does not want to resign.

As some friends once told Cardinal Miguel Obando, it would seem there are no solutions for Nicaragua's problems. At that time, the cardinal said that despite everything, we must all continue to pray for Nicaragua. That is all we have left.

Producers, Manufacturer Find Markets for Exports

94P20542A

[Editorial Report] Managua LA PRENSA in Spanish of 1 March 1994 on page 4 reports that Camoapa farmers exported 15,000 pounds of cheese to El Salvador during the last two weeks of February. Producer Mario Aragon predicted March exports will total 60,000 pounds. According to Aragon, producers began exporting cheese when processing plants reduced purchases of milk. As a result, dairy farmers have had fewer losses from surplus milk, production costs have dropped, and profits have risen. Producers say that El Salvador is the best Central American market for cheese.

The article also reports that the Hermoso Vijil company has begun exporting typewriter ribbons to Spain, Germany, Italy, the United Kingdom, and the United States. Near-term exports are expected to total $6 million. The company plans to expand operations to include the manufacture of photocopier material, laser printers, and diskettes.

High Court To Investigate Recent Mass Evictions

PA2203035794 Managua BARRICADA in Spanish 18 Mar 94 p 16

[Report by Jorge Katin]

[Text] The Supreme Court of Justice [CSJ] contends the wave of mass evictions nationwide within the past three weeks could lead to an explosive crisis with unpredictable consequences.

CSJ President Orlando Trejos Somarriba said the eviction cases will be studied by a special commission comprising representatives from the National Assembly and various magistrates. He added: "This is an issue with serious consequences involving all state branches."

Dr. Rodolfo Robelo, a commission member—the commission also includes Rodolfo Vargas Sandino and Alba

Luz Ramos—told BARRICADA that no specific agreements were reached in Tuesday's meeting with various Sandinist party representatives, but he added that there was a CSJ initiative "to begin an in-depth investigation" of more than 1,000 evictions occuring within the past three weeks.

The National Assembly should appoint a group of deputies from different parties to begin the investigation no later than Monday.

Robelo said only the investigation will confirm or deny accusations on the alleged politization of court orders, and he declined any further comments.

Nevertheless, Magistrate Robelo said that if the commission confirms the irregularities reported by the injured parties—namely, that many of the decisions resulted from widespread political corruption within the judicial branch—"the CSJ has the authority to not only sanction the judicial officials who have taken part in these presumed irregularities, but also to try those officials in compliance with the country's laws."

Magistrate Robelo said: "I want to make it clear that this investigation in no way will undermine the independence of the judicial branch," like some self-serving individuals have claimed concerning the parliamentary initiative to resort directly to the CSJ.

"Rulings on these cases will be issued by various judges of this state branch," Dr. Robelo added.

Concerning the evictions still being carried out, Robelo issued an appeal to the people, urging them "to understand that when a decision is made, it must be carried out."

The magistrate also explained the difference concerning cases between private individuals, over which the state has no jurisdiction, and those cases in which it does have jurisdiction. "It is one thing when the state has awarded property to someone, in which case the state has to assume responsibility," said Robelo, pointing out that the plaintiff must take action against the state rather than against the person who occupies a house or other type of property.

Robelo believes that in cases in which a poor person has been favored by the state with a home or property, "his rights to that property should be respected when he fulfills all the legal obligations."

Meanwhile, CSJ President Orlando Trejos rejected the charge that the execution of justice is being delayed within his state branch.

"What is happening is that, because there is no court for administrative disputes, all cases come directly to us when they actually only need an administrative legal ruling," Dr. Trejos said.

The CSJ president has been approached by a group of former customs employees who have been waiting for a court decision since June to recover their jobs. The magistrate has promised to receive them in his office on Monday.

Panama

Labor Union Group Endorses Perez Balladares for President

PA2203162994 Panama City LA ESTRELLA DE PANAMA in Spanish 21 Mar 94 p A1

[Article by Emilio Sinclair]

[Text] The National Central Organization of Panamanian Workers (CNTP), which comprises three workers' federations and 16 unions for a total of 12,000 workers, has proclaimed its determination to support Dr. Ernesto Perez Balladares for the presidency of the Republic.

In an "electoral communique" signed by CNTP Secretary General Luis Cobos R., the organization said it hopes that with this decision "we will achieve the return of the Torrijist forces to power to stimulate the process of national liberation."

The workers' organization also voiced its support for Andres Vega Cedeno, also known as "Domplin," a radio commentator who is running for mayor of Panama City; and recommended that "the workers also vote for Felipe Cano, who is running for mayor of San Miguelito."

As for the "candidates for 1994-1999 legislators," the CNTP recommends that "workers and popular movements support the candidates committed to our efforts and suggests the names of two candidates from the Papa Egoro Movement: Norma Cano in electoral circuit 8.6, and Rolando Miller in circuit 8.9, whom the workers describe as "great fighters." [quotation marks as published]

The CNTP feels that Norma Cano is a "labor leader with vast experience," and that Rolando Miller is a union champion "who showed ability and honesty in the struggle against the neoliberal and persecution policies of the current regime."

Poll Shows PRD's Perez Balladares Leading Presidential Race

PA2303042294 Panama City LA PRENSA in Spanish 22 Mar 94 p 2A

[Report by Hermes Sucre Serrano]

[Text] Ernesto Perez Balladares of the PRD [Democratic Revolutionary Party] and Ruben Dario Carles of "Change '94" remain the leading candidates in terms of voter preference, while Mireya Moscoso de Gruber of the Arnulfist Party [PA] increased her credibility rating and rose in terms of voter preference, according to a 12-15 March poll conducted for Telemetro Channel 13.

The survey conducted just more than 50 days before the 8 May elections indicates the PRD candidate's credibility rating fell from 38.9 to 34.6 percent, while Mireya Moscoso de Gruber's credibility rating rose from 6.4 to 9.1 percent. Approximately 20 percent of the voters remain undecided regarding who has the highest credibility in terms of his or her proposals.

According to the poll, which was conducted among 3,194 people aged 18 or older nationwide, the PRD candidate continues to occupy the top place in voter preference with 33 percent. Compared with the previous poll, Perez Balladares only gained 0.2 percentage points.

Ruben Dario Carles came in second place with support from 16.1 percent of the respondents. This implies a 0.1 percent reduction in his support when compared with the results of the first survey conducted 9-11 February.

The increase in the approval rating of Mireya Moscoso de Gruber, who has said she does not believe in polls, should be pointed out. Moscoso de Gruber went from 9.9 percent to 12.2 percent in voters' preference, which translates into a gain of 2.3 points. The drop of Panamanian singer Ruben Blades should also be highlighted; he went from 14.8 percent to 11.2, reflecting a decline of 3.6 points.

The other candidates obtained the following approval ratings: Eduardo Vallarino of the Christian Democratic Party (PDC) got 3.2 percent; Samuel Lewis Galindo of the National Consensus Alliance (Solidarity and the National Unity Movement) obtained 2.6 percent; and Jose Salvador Munoz of the Doctrinaire Panamenist Party received 0.6 percent. It should be noted that Vallarino gained 1.2 percent from the previous poll, while Lewis Galindo fell 0.3 percent.

Regarding the candidates with the greatest credibility in terms of their proposals, the survey revealed the most significant changes occurred with candidates Perez Balladares and Mireya Moscoso de Gruber. Perez Balladares' credibility dropped from 38.9 percent to 34.6, while Moscoso de Gruber's rose from 6.4 percent fo 9.1 percent.

Regarding people's mayoral candidate preferences in the District of Panama, it was learned that approximately 47 of every 100 people will vote for Omaira "Mayin" Correa. Her closest contender is the PRD's Andres Vega "Domplin," whose approval rating remained at about 22 percent.

Of the rest of the candidates, former First Lady Ana Mae Diaz de Endara [title as published] came in in third place with a 7.1 percent approval rating.

EL SIGLO President Criticizes Delay in Ruling of Mayin Correa Case

PA2203121994 Panama City EL SIGLO in Spanish 18 Mar 94 p 8

[Quotation marks as published]

[Text] "The mere fact Magistrate Guillermo Marquez Amado has strangely delayed the ruling on Mayin Correa's case for an illogical period of time clearly proves the official's high degree of evident partiality and disqualifies him for that post," it was stated yesterday by Jaime Padilla Beliz, president of the EL SIGLO Publishing Company.

The judicial scandal provoked by this clever decision will have continental repercussions, he added. The statements were given within the context of a meeting among various parties to consider the measures and actions that will be adopted when the unfair and absurd ruling occurs; and it will undoubtedly threaten the elections scheduled for 8 May.

Padilla Beliz has explained he attended most of the sessions, which were extended for two weeks, and no documents or any other evidence were presented to prove Mayor Mayin Correa had committed the electoral crimes with which she was charged. The only thing done was to present depositions signed by her sworn enemies, without any proof or evidence, and it was proved most of them lied. This was personally admitted in public by Magistrate Guillermo Marquez Amado (Pico), who was in charge of the proceedings.

Padilla Beliz continued: "Despite all this, Magistrate Marquez Amado insists on sentencing her, and he has prepared a ruling of approximately 32 pages, sentencing and disqualifying her for public posts for several years. He also suspended her prison sentence, given the lack of a criminal record, as was done in the case of former Attorney General Rogelio Cruz."

No decent person in the country will accept such a monstrosity, Padilla Beliz has said. "This is a country where lowly feelings and shameful cowardice abound. Politicians know Mayin is right, and she is already the city's mayor-elect with 74 percent of the votes, according to the latest poll. Nevertheless, they do not dare protest because they are afraid of the Electoral Tribunal, and they state cunningly: "They are the judges, and you cannot go against them."

They are also the ones who will tally the votes, and they can really screw us if we oppose them in Mayin's case." That is the reasoning used by men who have no courage, honor, pride. I would rather die defending the truth and reason then to humiliate myself and kneel before the powerful."

It is known a magistrate had stated he will not sign the document, because he attended the trial and no one proved Mayin was guilty of anything."

Padilla Beliz asked: How, then, can Mayin be sentenced? It was learned the president of the Republic has personally threatened one of the magistrates, saying he will fire the magistrate's wife from a position to which she was recently appointed, if he rules in favor of Mayin. This happens because a degenerate midget who was one of General Manuel Antonio Noriega's intimate friends and

who changed sides when he realized the gringos would oust him has become director of First Lady Ana Mae Diaz de Endara's campaign for mayor. He recently fabricated a poll that shows the president's wife leads in the polls.

Consequentl, , the president believes his wife will be mayor of the capital if he eliminates Mayin.

Padilla Beliz concluded: "They are toying with the people's patience, however, and anything—for example, the Christian Democratic magistrate's ruling—could unleash violence and the cancellation of the elections.

"I ask the Supreme Electoral Tribunal magistrates to meditate well what they can do. Set aside personal and partisan hate and lead the country to honest and clean elections."

Article Assesses New Challenges in Foreign Policies

PA2203191094 Panama City LA PRENSA in Spanish 20 Mar 94 p 31A

[Article by Roberto Montanez]

[Text] In view of the transcendental changes to foreign relations, in which the EEC, Pacific Basin, and NAFTA have starring roles, the integration phenomenon stands out as an inescapable foreign policy issue for the states that are trying to break into the international arena.

In fact, the administration that will take control of Panama's destiny will have to face the crucial dilemma of efficiently consolidating the canal management transition process. The new government will also have to dodge neoliberal impositions that could undermine the gradual integration process of the canal infrastructures, which will revert to the national economy.

The new government will face a new plan regarding relations with the United States, which will be driven by the imminent withdrawal of military troops and the progressive nationalization of the canal. This situation is being conditioned by cuts in the defense budget with the end of the Cold War. The issue of national security is not a priority for the region yet simply because the international financial system replaced the confrontation of ideologies.

As the United States readjusts its economy to consolidate the 360 million people market that NAFTA, an agreement also signed by Mexico and Canada, will create, its regional priorities deal with the eradication of drug trafficking, as the new Southern Command chief proposed, and trade deregulation, as international financial institutions are promoting.

Under the circumstances, it is necessary to redefine bilateral relations not only politically and economically, but also jurisdictionally to ensure a trouble-free transition of the canal administration; that is, a transition that will not be at the mercy of the country's political stability. This is why the new government will have the prerequisite of restoring the part of the Panamanian state's self-determination that the 20 December 1989 invasion removed.

On those grounds, leaders will have to apply daring solutions to the problems that bilateral diplomatic relations have exacerbated over the last few years, namely the post-invasion upheaval, collective mechanisms against drug trafficking, and the transition of the canal administration.

In the regional arena, leaders must use dynamic solutions to reinforce the nation's presence in organizations of political consensus like the Rio Group. Leaders will even be compelled to improve hemispheric relations, which visibly deteriorated after the invasion because of the regime of rigid bilateral foreign policies.

At the multilateral level, the new government will have to determine its position on GATT, not just because of the timid interest the current administration has showed, but also because of its inability to reconcile the interests of the economic sectors, which favor trade deregulation, and the industrial sectors that remain skeptical because of the uncertainty that joining this organization will generate. Given such a big challenge, there is a need for a government with leadership and the ability to establish consensus at the lowest social cost possible; a consensus that will explain in equitable and balanced terms the competitive advantages the country will have upon joining the integrationist movement.

The approval of the Sea Convention Law [Convencion sobre Derecho del Mar], which was postponed for the last few years, is another pivotal issue in foreign policies because Panama holds first place in world merchant marine tonnage and is on the threshold of managing an interoceanic canal with the potential to tap maritime resources.

Integrationist initiatives are usually the result of a historic process of accumulation by which states modernize their production processes by systematically embarking in international trade to seek competitive advantages to ensure strengthening their economies. These assumptions in Panama have yet to materialize. That is why it is necessary to consolidate the national economy, to bring it closer to the countries with negotiating capabilities in the integration dynamics.

This is why we cannot conceive of separating political integration from economic factors, nor can it (Central American integration) be the result of rhetorical pronouncements that do not come from objective analyses of the country's political and socioeconomic realities. Therefore, by being aware of the country's potentials and needs, the new government will have to adopt measures aimed at increasing plans for regional participation.

With this in mind, it will have to establish a series of foreign policy priorities by modernizing the political mechanisms of negotiation at the foreign ministry.

Given the challenges inherent to the canal administration, this modernization necessarily means optimizing foreign services as the key instruments to incorporating Panama into the Latin American integration process.

Roundup of Economic Developments

PA2203222194

[Editorial Report] The following is a compilation of reports on Panamanian economic developments monitored through 22 March.

Francia de Sierra, director general of the Mineral Resources Directorate at the Ministry of Commerce and Industries, revealed the mining industry has invested $24 million this year, whereas in 1993 the investment was $5 million. Sierra added that production at the Santa Rosa mine, Canazas jurisdiction, Veraguas Province, will begin in June; this is expected to increase investments. Referring to the mining industry's future, she said a geologic study and an infrastructure inventory will be carried out in April. The study will cost between $10 million and $15 million and the cost of its feasibility study—$450,000—will be paid with a donation from the Inter-American Development Bank. (Panama City LA PRENSA in Spanish 9 Mar 94 p 11A)

"Delia de De Castro, director general of domestic trade," reported 556 licenses with an invested capital of $1,674,500 were issued in January. She added that this represents $20,401 in taxes. She said this is a 15 percent increase compared with January 1993, when the Ministry issued 480 permits for an invested capital of $1,909,650. (Panama City EL PANAMA AMERICA in Spanish 15 Mar 94 p 11A)

The Panamanian Government has approved Executive Decree No. 19 to confirm a 23 cent discount in the tariff for each box of bananas exported in 1994. The report adds that 38,255,291 boxes of bananas were exported in 1993, thus allowing the discount anticipated in Article 1 of Law 16, dated 18 June 1993. (Panama City LA PRENSA in Spanish 20 Mar 94 p 2)

Ricardo Duran, president of the Panamanian Chamber of Commerce, Industries, and Agriculture, has stated that growth levels will continue to rise although the country is engaged in an electoral process. A survey conducted by the chamber's Studies Center states the Panamanian economy registered stable growth levels, and the GNP attained a 6.6 percent growth rate. (Panama City EL SIGLO in Spanish 21 Mar 94 p 2)

Argentina

Menem Comments on Reform Pact; No Pressure From Gore

PY2203134194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1136 GMT 22 Mar 94

[Excerpts] Buenos Aires, 22 Mar (NA)—President Carlos Menem reiterated yesterday that the Olivos Pact signed with Raul Alfonsin for the constitutional reform "will be fulfilled." He added: "Other aspects, not included in the pact, may be incorporated."

Menem said yesterday: "This electoral process is known throughout Argentina and the world, it is known that the Constitution will be reformed." He denied there is public indifference toward the move.

Menem asked: "In the past, people were either concerned or unconcerned saying: after all the government party will impose its will. Now there is consensus and the people are saying it has all been prearranged. What do the people really want?"

In an interview in the "Haddad and Longobardi" program [not further identified], Menem reiterated: "Absolutely nothing has been prearranged. A pact has been signed, and based on it the constituent members will work to carry out the reform."

Menem is optimistic about the result of the upcoming 10 April elections. He says the Justicialist Party "will increase the percentage obtained on 3 October, although I may be wrong."

He added: "The Radical Civic Union will also do well." In the federal capital it "will fight with the Justicialist Party for first place."

Regarding the position of minister coordinator, Menem said the position will be in force "when the Constituent Assembly approves it. It is its decision." [passage omitted]

Regarding his talks with U.S. Vice President Al Gore, President Menem denied any pressure to approve the patents law. He said he asked Gore for a similar attitude regarding the U.S. policy on subsidies on agricultural products.

Menem hinted that Gore's message was: "Without a patents law, it will be a bit difficult for you to join NAFTA."

Regarding the case of the Argentine Airlines, Menem said the agreement has not yet been signed. He added: "There is an agreement in principle, therefore I don't want to comment on something that has not concluded."

Results of Gore's 'Positive' Visit Evaluated

PY2203211294 Buenos Aires CLARIN in Spanish 22 Mar 94 p 3

[Text] A few hours after the brief visit by U.S. Vice President Albert (Al) Gore to Buenos Aires, the balance made by Argentine officials was positive though not noisy, while U.S. officials felt that the points they wanted to conciliate in relations with Argentina are clearer than ever.

Gore's tour, which included Bolivia and continued in Brazil, is a preparatory visit for the Summit of the Americas that President Bill Clinton called for December in Miami, and to which Argentina wants to arrive in the best possible condition.

However, Gore's cascade of public praise for Argentina's economic boost, privatization policy, signing of nonproliferation treaties, and commitment to peacekeeping missions did not lighten the warnings and deadlines—which are closer every day—that he emphasized for complying with bilateral agenda topics.

—First of all, Gore exerted full pressure for approval of a patents law. Like Foreign Trade Secretary Mickey Kantor made a week ago, Gore made it clear that if the law is not approved there will be commercial sanctions, and the swift pace toward NAFTA—the free-trade agreement between the United States, Mexico and Canada—will be lost. Argentina, Chile, and Colombia are candidates to join NAFTA.

—Menem and his cabinet resorted to all sorts of gestures and phrases to prove the government's political will to promote the bill requested by the United States. But they had to admit that it will be impossible for them to have the bill approved before 30 April (the deadline the United States set to begin considering sanctions), but they promised to have it approved in a few days by the Senate committee studying the bill.

—When commenting on the bill's details, Argentine officials hinted that beyond the law that will be approved by Congress, it will be the law's regulations—to be issued by the executive branch—that will set the tone for effectively enforcing the intellectual property law.

—In return, Menem once again, and rather unsuccessfully, demanded that the United States give up its agricultural subsidy policy, which has seriously harmed Argentine interests. He once again listened to Gore make an old excuse: The issue of subsidies is very broad, involves all GATT talks, and the United States will not do it unilaterally while Europeans do not give up their own policy.

—As for Menem's initiative to create a White Helmet unit within the United Nations to fight starvation, a decision was made to create a bilateral commission, which might meet next month in Washington and new York.

Official Admits Deadline for Approving Patents Law

PY2203135994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1145 GMT 22 Mar 94

[Text] Buenos Aires, 22 Mar (NA)—Foreign Ministry Secretary General Andres Cisneros has implicitly accepted the existence of a 30-April deadline imposed by the United States for Argentina to approve a new law on pharmaceutical patents.

Cisneros explained that U.S. laws "do not contain deadlines, but mechanisms for presenting proposals," admitting, however, that 30 April is the date foreseen in this mechanism.

The official said dates "are not arbitrarily set by U.S. executive officials." They are part of U.S. laws.

Cisneros explained that these laws "do not establish deadlines, but provide mechanisms and certain dates for submitting proposals."

The Foreign Ministry secretary said U.S. laws contemplate economic sanctions against Argentina if a new law on pharmaceutical patents is not approved within the established period.

Cisneros said the Argentine Government "will respond to this pressure, defending the country's interests." Cisneros added that the new law will not "solely respond to foreign pressure, but also to Argentina's national interests."

"U.S. Government and Argentine interests are not necessarily incompetible. Compatibility ends when interests become incongruous," Cisneros warned.

"This is not being difficult or different from what is being done by other Western economies in similar situations," Cisneros said, adding: "We are not doing anything different from what was done within the GATT."

Regarding the possibilities of the bill's approval by Congress, Cisneros said: "We do not see any problems." He added: "Congress will approve the measure when legislators think our national interests are served." Cisneros admitted that it will be very difficult to get a new law approved by the last day of next month.

"Economic sanctions are not good, but Argentina handles its own schedule for approving laws and pursues its own interests."

Cisneros confessed that U.S. Vice President Albert Gore received a sort of promise that the bill will finally be approved because the Government "must draft and send the bill and then get it approved."

Government Denies Approving Patents Law By Decree

PY2203191294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1825 GMT 22 Mar 94

[Text] Buenos Aires, 22 Mar (NA)—Presidential Secretary General Eduardo Bauza categorically denied this afternoon that the government plans to promulgate by decree the pharmaceutical patents legislation if Congress delays approving the bill now being debated in the Senate.

"Under no circumstance will that happen" said Bauza, adding that the government "trusts" the bill will be approved by the Chamber of Deputies "possibly by the middle of this year."

Medical Tests Show Menem's Health 'Normal'

PY2203161494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1432 GMT 3 Mar 94

[Text] Buenos Aires, 22 Mar (NA)—Media Secretary Raul Burzaco has reported that the medical checkup President Carlos Menem underwent this morning "shows his health is normal."

Burzaco released a communique, signed by Physicians Alejandro Tfeli, Juan Carlos Parodi, and Cesar Gnocchi, stating that "today, President Carlos Menem underwent a medical checkup. All the tests performed show his health is normal."

OAS Hemispheric Security Meeting Goals Termed 'Realistic'

PY2203015294 Buenos Aires CLARIN in Spanish 21 Mar 94 p 6

[Article by Luis Garasino: "Where is the Enemy?"]

[Text] A seasoned foreign diplomat summed up the final document of the OAS experts meeting—the starting point for the reformulation of the hemispheric security system—held in Buenos Aires last week in the following terms: "Modest, but realistic."

The modesty and realism of the six recommendations drafted by diplomats and military from the Americas can be put down to the nefarious legacy of the past, which consisted of a continental security system designed on the basis of the existence of a cold war and the division of the world into two blocs.

Many nations of the hemisphere, especially those having democratic governments, cannot forget that the United States' interventionist hegemony was enshrined in the region in the name of anticommunism, and that to this effect, dictatorships of different leanings were supported and coups d'etat by the military encouraged.

Another sad heritage from those decades is the idea that the OAS simply rubber stamps and follows Washington's policy dictates. This explains the great reluctance

evinced by some delegations to approve any multilateral security program that entails a limitation of their decisionmaking power.

It is an open secret that Brazil, for example, accepts collaboration in aspects pertaining to bilateral and regional security, but takes a stand against any scheme that seeks to go beyond these limits.

Hernan Patino Mayer, Argentine ambassador to the OAS and chairman of the Special Commission for Hemispheric Security, played a crucial role, but his presentation propounding "an all-encompassing" scheme was slashed to the necessary minimum limits for reaching consensus.

Proposals for holding periodic meetings between defense ministers from the hemisphere, turning the Inter-American Defense Board into an advisory body to the Council, or establishing a permanent center for solving conflicts, therefore came to nothing.

One of the six recommendations that were finally approved urges member countries "to regularly inform the appropriate OAS organs about the implementation of measures to foster trust."

It seemed evident that the "intercourse" between Argentina and the United States—as well as the fact that the former's Armed Forces are those that are most subordinated to the political power of any in the region—placed our country in a special situation.

Nevertheless, there are those who think that an essential stimulus is lacking for establishing a new security system—the existence of a new common threat to the countries of the Americas, an enemy whom at present nobody is in a position to define.

Minister Cavallo Launches Exports Incentives Plan

PY2203132894 Buenos Aires CLARIN in Spanish 17 Mar 94 Economic Section p 23

[Text] Domingo Cavallo has taken the first step in a campaign to encourage exports in order to reduce the trade balance deficit. Yesterday, the minister announced new credit lines to finance exports by small- and medium-sized companies. The amount available is $100 million at an annual interest rate of between 8 and 10 percent.

The minister used a meeting of the Argentine Industrial Union [UIA] to announce the plan. UIA President Jorge Blanco Villegas took advantage of the opportunity to lash out at bankers, who were absent from yesterday's meeting. He said they were "one of the main sectors missing from government economic reorganization programs."

The loans will be channeled through the Bank of Investment and Foreign Trade (BICE), which is presided over by Horacio Alvarez Rivero. The main points of this new credit line are:

- The loan will finance up to 85 percent of the FOB value of capital good exports of national origin and up to 10 percent of the FOB value of spare parts and accessories.
- The minimum loan is $20,000 and the maximum is $2.5 million per year.
- The interest rate varies from 8 percent a year for shorter terms (from six months to two years) to 10 percent for longer terms (three to five years).
- All financial institutions that operate trade internationally with the authorization of the BICE may play the role of commercial banks. The banks will get a maximum profit, or spread [preceding word in English] of 1.5 percent, which is already included in the rate.
- The guarantees can be presented through an export credit insurance against special risks and regular commercial risks. The endorsement of foreign banks approved by the BICE can also be used.

Alvarez Rivero also presented a second line of credit to finance Argentine companies participation in international fairs and congresses. The idea is to cover up to 70 percent of the cost of renting stands, publishing catalogs, and paying for trips and hotels.

With this package—in addition to the Competitivity Plan to be disclosed next week—Cavallo seeks to stimulate exports. The 1993 trade deficit was over $3.5 billion.

Cavallo said: "We want all 1995 foreign trade activities to enjoy international financing."

Blanco Villegas, who is also the president of Philco, was skeptical about Cavallo's promises. He said: "I believe the financial sector has not made enough effort. We must exert pressure and stimulation to broaden credit and to reduce production costs."

The few businessmen who are members of the APYME [Small and Medium Enterprises Association] who came to hear the announcement were disappointed. One said: "This is not the first time we have heard announcements of this type." Workers of the INTI [National Institute of Industrial Technology] were also disappointed. They gathered outside to wait for the secretary of industry to protest the reorganization of this secretariat, but Carlos Magarinos did not attend the meeting because he is touring the country.

Government Believes Tucuman Incident 'Overcome'

PY2203135294

[Editorial Report] Buenos Aires LA NACION in Spanish on 19 March carries, on page 13, a 500-word article by

Mariano Obarrio which notes that "the Interior Ministry did not officially comment on the attack on the Tucuman Congress building, although high-level officials are aware of the details of the incident." Interior Ministry Spokesman Julio Macchi explained, however, that it was a strictly provincial problem and that this ministry cannot interfere unless the provincial authorities ask. Macchi said that on 17 March Interior Minister Carlos Ruckauf met with Tucuman Governor Ramon Ortega who commented that "the problem had been overcome."

The same page of this newspaper carries a 400-word article by Hector Domingo Padilla datelined San Miguel de Tucuman on the heated meeting held by Tucuman Congress during which the Executive Branch was held responsible for the attack on 17 March. Prior to the session, which ended with a declaration voicing confidence that the corresponding investigations will be made and those responsible punished, "acting Provincial Congress President Mario Cristian Saracho was visited by a group of leaders of the regional CGT [General Confederation of Labor] who apologized for the recent incidents and expressed respect for the democratic regime."

On the same page is another 450-word unattributed report which notes that "while Tucuman Governor Ramon Ortega yesterday rejected charges by the opposition that the serious incidents caused by some 200 workers on 17 March against the provincial Congress building were a maneuver to intervene this body, the court ordered the arrest of Tucuman CGT Secretary General Miguel Brito and his secretary Luis Gonzalez for their alleged participation in the incident." Governor Ortega denied that the incident had political connotations like those in Santiago del Estero last December and commented that among the demonstrators were people who had nothing to do with La Florida Sugar Mill.

Buenos Aires PAGINA/12 on 19 March, on page 5, carries a 550-word interview with Tucuman Governor Ramon Ortega by Hector Ali in San Miguel de Tucuman during which Ortega blurted out that "it is time legislators started to show courage and stopped seeking political profit from the peoples' needs and anguish." He notes that Tucuman's problem is quite different to the one in Santiago del Estero where public servants did not get paid for three consecutive months. He also refutes criticisms by Radical Legislator Gumersindo Parajon who said the incident was a maneuver to justify the intervention of Congress and added that he is not concerned about rumors that the riots are orchestrated in Buenos Aires in an attempt to thwart his intention to run as vice president.

Opposition Leader on Reform, Reelection

PY1803185094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1803 GMT 17 Mar 94

[By Radical Civic Union leader Leopoldo Moreau]

[Text] Buenos Aires, 17 Mar (NA)—In some sectors the belief exists that the new Constitution favors Menem alone. This idea is shared both by the anti-Menem group—who are emotionally against the constitutional reform—and by government supporters, who enthusiastically believe that the reform will assure Menem a new presidential term.

Neither side is right. It is true that Menem could possibly run again in 1995. Yet it is also true that the hegemonic scheme of the Menem sector was left without reelection, and that thanks to the opportune and intelligent intervention of the Radical Civic Union [UCR], the dreams of the Menem sector to perpetuate arbitrariness, injustice, and corruption in power will collapse with the approval of the new Constitution.

Let us see why:

—In the reform, the UCR managed to impose a strong restriction on Menem's reelection possibilities by introducing the indirect election of the president and the vice president (the electoral colleges will disappear) through the runoff system. This system, which will be established by the Constitution, may not be modified by a law. It definitively eliminates the danger of tricks to which the government might resort if it realizes it could lose an election. One of those tricks is the multiple ticket law.

The runoff election system will force Menem to obtain—in order to avoid a runoff—more than 45 percent of the votes in the first electoral round. It should be recalled that in its best electoral moment—on 3 October 1993—the Menem sector barely received 42 percent of the votes. Furthermore, the runoff system favors the creation of two major electoral blocs: a pro-government bloc and an opposition bloc. So far there has been only one electoral front, the one formed by the Menem sector. With the traditional votes of the Justicialist Party, the UCEDE [Democratic Center Union], and other rightist sectors, this bloc was an apparently invincible electoral front. From now on this situation will change, and progressive and popular sectors will have a chance to create a strongly competitive electoral group.

—The direct election of national senators, the reduction of their terms, and the designation of a third minority senator have destroyed the pro-Menem dream of controlling the Senate until the year 2003.

As a matter of fact, if everything had remained unchanged, or—and this would have been even worse—if the Constitution advocated by the government had been approved, instead of the one negotiated with the UCR, the pro-Menem sector, even in losing the elections, would have maintained control (by approximately two-thirds) over the Senate until the beginning of the next century. This circumstance has made people wonder: How will the opposition govern, if it wins the election, when the Menem sector has control over the Senate and a majority in the Supreme Court?

—Millions of Argentines are right to wonder: How will it be possible to eradicate corruption without independent courts? Fighting corruption is not only an ethical obligation—it is also a political duty. If the democratic system can find no efficient action to properly fight corruption, this will end up undermining the credibility of democracy.

The new Constitution negotiated by the UCR leadership, which is headed by Raul Alfonsin, has an answer for this dilemma. The system for designating and dismissing judges was totally modified. From now on, judges will no longer be designated by the president of the nation with Senate approval. The Senate has so far designated who would administer justice in secret sessions, and by majority vote.

With the new Constitution, judges will be nominated by the so-called Council for Magistrates (an organ made up of judges, delegates from bar associations and academic institutions, and lawmakers) which, after a qualification contest, will propose two- or three-name lists on which the Senate will have to debate in public sessions.

This system is operating in Italy, and based on its results in the fight against corruption within the government and in economic sectors, the system apparently works better than the one we have been using under the current Constitution.

Perhaps even more important is the modification of the system for dismissing corrupt judges. Under the current Constitution, the system for replacing judges has been highly inefficient. In 50 years of institutional life—before the Nicosia case—only one judge has been dismissed through the impeachment system.

The Chamber of Deputies now needs a two-thirds majority to press charges against a judge, and the Senate needs a two-thirds vote to dismiss him. It is clear that with this method it is almost impossible to dismiss a judge. As an example, Dr. Servini de Cubria is still at her post.

The new Constitution drawn up by the UCR provides that suspected corrupt or unfit judges will be tried by a tribunal that will be similar to the Council for Magistrates, that is, its members will be judges, bar association representatives, academic institution representatives, and lawmakers. Some people will claim that it remains to be seen whether this system will work. Yet it is obvious that the current system does not work.

In addition to these rules, which the UCR introduced into the Constitution to assure a really independent judicial branch, there are other initiatives on which no consensus was reached but which were included at our request. If the UCR has the larger number of convention delegates it will be possible to approve such initiatives, which deal with the creation of the position of ombudsman and the subordination of the attorneys general to a sector outside the three branches of government.

The first initiative means that constitutional status will be given to an organ that will register reports and claims by any citizen of government or economic power abuse. Under the second initiative, the attorneys general (that is, the prosecutors) will no longer be subordinated to the executive branch (that is, to the government) or, as they are now, to the attorney general of the nation. This absurd situation has hindered many investigations into the work of public officials, causing honest judges to leave.

Finally, in order to improve control mechanisms—to avoid corruption from grabbing people's money—we have managed to make the new Constitution put the Office of the Comptroller General, which is the main control organ, in the hands of the main opposition party. This regulation will be definitively incorporated into our Constitution.

Another major conquest is the direct election—that is, by voters—of the mayor of the federal capital. There will be no more cases of designated mayors like former Buenos Aires Mayor Carlos Grosso.

Finally, UCR members will strive to make the new Constitution establish rules for a new type of relation between the nation and the provinces—an issue that is being widely debated—and rules to protect defenseless consumers from arbitrary actions of those who render privatized public services, or from unscrupulous people who at times even risk people's lives. These initiatives will certainly produce stronger rejection in the government, because they are against the philosophy of Menem's and Cavallo's economic concentration model.

We are then, beyond all doubt, facing a constitutional reform which even though giving Menem the possibility of running again, has managed to break his aspirations—and the aspirations of the few economic power groups—to perpetuate a model based on injustice, marginalization, and backwardness.

Despite all this, some fellow countrymen may still think that Menem should not have a chance of being reelected. We thought that Menemism is what should not be reelected. If it had not been Menem, we would have had to defeat Eduardo Duhalde or Domingo Cavallo. The difference is that the presidential term would have continued to be for six years, that there would have been a pro-Menem majority until the year 2003, that courts would not have changed, and that the people would have been unable to control the government.

In light of all this we say that Menemism, as a hegemonic model, has been left without reelection. Now Menem has to be defeated in the election. The people will make the decision. As we did more than 100 years ago, we have confidence in the people.

Local Oil Companies Begin Operating in Russia

PY2203214394 Buenos Aires CLARIN in Spanish 21 Mar 94 p 22

[Article by Ana Ale; all company name expansions unknown]

[Text] Bridas, the oil company owned by the Bulgheroni family, has won two bids for the exploitation of oil and gas in the former Soviet Union and is negotiating a third contract to drill 1,000 wells in Siberia. Meanwhile, Tecpetrol, of the Techint group, is looking for new opportunities. The two companies do not want to lose reserves that are abundant and cheap, particularly because the geological risk is minimal. The purpose of venturing into the former USSR extends beyond those borders though. The undertaking will allow them to build bridges to the coveted European market.

Business is promising in those latitudes and some Argentine oil companies went there in search of good and cheap reserves. Tecpetrol of the Techint group and Bridas have dared to challenge the former USSR's geography already, but other companies are ready to follow suit.

Both oil companies know that the first blow is half the battle. And even though Tecpetrol and Bridas agree on the philosophy of exploring new area, only Bridas closed an agreement with what today is called the Community of Independent States, which is still ranked among the top world producers.

Tecpetrol was very close to signing a contract but preferred to wait for the political climate to clear up a little more. The company still has a foot inside because Siderca, which is a group member, maintains an office here for the sale of seamless tubes.

Bridas learned of the existence of the reserves in 1985 when the mission was considered only a possible destination. They had to wait for the collapse of the former Soviet Union to take the next step. The slogan was: abundant resources at a low geological risk. The priorities were gas and Europe, the market for the sale of the fuel that contaminates the least.

Two years later they studied the area where this large reserve was located. In 1990 they had the folder with the project ready and a red cross on the map: The deposit went through Turkmenistan, on the Caspian Sea, and Iran. Here they found all the right conditions: little exploratory risk, facilities to export, a stable government, absence of ethnic problems, and a need for capital and technology.

Turkmenistan, the world's third-largest gas producer, organized bids for both gas and oil fields with conditions according to international standards. Bridas won two biddings.

—In Yashlar, they and their American partners signed an exploration and development contract in which Turkmenistan had a 25 percent participation. The company found gas in the first well, and if the estimates prove right, they will find in the area a volume of gas equal to all Argentina's reserves.

—In Keimir, the contract involves oil exploration and exploitation, also with foreign partners. Turkmenistan participates in the consortium with 50 percent of the profits and spending. Today they are extracting 1,800 cubic meters of oil per day, which is equivalent to the mean production of 200 Argentine wells. They also found gas, but the deposit is not developed yet.

The company might add another field in Russia. In that country the company won a private price bidding to drill 1,000 wells in a Siberian oil field. But the issue of taxes is still being negotiated.

The high taxes temporarily scared Tecpetrol people from the area. Marcelo Martinez Mosquera and Jorge Viero (formerly with Bridas) visited the territory and traveled up to the Arctic. They made seven visits to Kazakhstan in Central Asia, the second largest former Soviet Republic. They almost participated in a bid there, but at the last moment officials changed the conditions and added taxes. The result was that no one participated.

Tecpetrol thinks the high political risk must be compensated for by a lot of profit. Because the conditions are not right yet, they returned and decided to expand in Latin America instead.

Bridas continues to look toward Moscow and its surroundings. The next gamble will be to build a gigantic gas pipeline if an agreement can be closed with Turkmenistan to export gas. The pipeline would cross Iran, Turkey, and Bulgaria, a long enough span to permit the company to enter the European market with firm steps.

Secretary for Technical, Scientific Affairs Appointed

PY2303022494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2211 GMT 22 Mar 94

[Text] Buenos Aires, 22 Mar (NA)—Domingo Liotta, an outstanding heart surgeon and General Juan Domingo Peron's personal doctor, will replace the late Raul Matera as secretary for technical and scientific affairs.

In talks with journalists accredited to Government House, Liotta announced that this afternoon he accepted President Carlos Menem's proposal to become secretary for technical and scientific affairs.

According to government sources, Liotta will meet Menem at Government House at 0800 on 23 March. Liotta reportedly will be sworn in at 1100 on 24 March in the White Hall.

Bolivia

President Promulgates Capitalization Law

PY2203191394 La Paz Television Nacional Network in Spanish 1700 GMT 22 Mar 94

[Excerpts] [Passage omitted] President Gonzalo Sanchez de Lozada promulgated the capitalization law yesterday. It becomes effective upon its publication in the official gazette.

The sore point is that the opposition has filed, or will do in the next few hours, a petition with the Supreme Court to declare the law unconstitutional. The problem is one of interpretation.

[Begin recording] [Deputy Edil Sandoval] The petition of unconstitutionality is presented against resolutions that violate the Constitution or affect the interests of one or more individuals. If the Supreme Court admits the petition, which I do not believe it will, and decides in favor of the petition, such decision will only benefit those who signed the petition. Therefore, in the worst of cases the decision will not invalidate the law. [passage omitted]

[Deputy Carlos Borth] The Constitution also grants deputies the right to make this type of petitions in special cases. Let us recall that the capitalization law regulates the transfer of five enterprises to the private sector. We, the MIR [Movement of the Revolutionary Left], will specifically oppose the transfer of YPFB [Bolivian Government Oil Deposit] [passage omitted] [end recording]

DEA Agents Accused of Extortion Against Drug Traffickers

PY2203220994 Cochabamba LOS TIEMPOS in Spanish 10 Mar 94 p A3

[Text] La Paz, 9 Mar (LOS TIEMPOS)—The U.S. agents who work for the DEA and some Bolivian police officers are working in coordination with drug-trafficking groups that operate in the country "to extort small drug traffickers and cocaine growers," according to retired Captain Jaime Paredes Sempertegui.

Capt. Paredes, who retired from the Navy a few years ago, became known for his public charges of corruption in the Navy when he presented Congress copies of videos on connections between political leaders and drug traffickers. He confirmed that "the DEA works with drug traffickers outside U.S. and Bolivian laws."

"I say it, I confirm it, and I can prove it" said Paredes Sempertegui, a MBL [Free Bolivia Movement] member who is currently as adviser to the Chamber of Deputies Defense Committee, in asserting that DEA agents and Bolivian policemen carry out "their well-known extortion operations."

He said the criminal acts "are made in the so-called security houses located all over the national territory. These acts are known by the public. For example, in Santa Cruz I would like to point out the house of a Bolivian Navy member rented for that purpose. It is the house of Colonel Alberto Latelier Ortiz."

Paredes explained that his charges refer to specific people and facts that in no way compromise national institutions, for which he said he has respect and consideration, mentioning the Armed Forces and National Police primarily.

He said the investigation announced on this case by legislative committees will certainly confirm his charges and will clarify the real operation of the "security houses," which are completely outside the country's legal order.

Legislator Criticizes U.S. Interference

PY2203004494 La Paz PRESENCIA in Spanish 11 Mar 94 p 1

[Excerpt] Chamber of Deputies Vice President Alfonso Ferrufino said yesterday that the use of violence as a method to fight the illegal drug trade has failed and now the United States must leave Bolivia alone to design its own antinarcotics strategy.

In the midst of growing tension in coca producing areas, legislators have again questioned official antinarcotics policies that emphasize repression as the main tool to fight trafficking. This is being blamed for the tension in Chapare.

"The results speak for themselves. The volumes of drugs introduced into the United States have increased and consumption has expanded during the years these policies have been in effect. This reality has forced Bill Clinton's administration to conclude that the drug problem in their country is a problem of education and health," Ferrufino said.

The legislator recognized that surplus coca plantations are linked to poverty and unemployment. The peasants have seen in that crop their only possibility for survival at a time of growing unemployment.

"If the United Nations understood and accepted the U.S. installation of radars to control the entry of drugs in its territory, why would the United States not accept that Bolivia wants to seek its own solution to the problem instead of continuing to implement a failure?" Ferrufino said. [passage omitted]

Production of Pure Cocaine, Link With Cali Cartel Found

PY2203170794 La Paz LA RAZON in Spanish 4 Mar 94 p A3

[Excerpt] Following the discovery and destruction of the largest drug laboratory yet found in Eastern Bolivia, the

government has confirmed the existence of facilities to process cocaine sulphate into cocaine hydrochloride in Bolivia.

Operation "Aguardiente" was carried out by personnel of the Special Antinarcotics Force in Eastern Bolivia last weekend, with the support of the DEA. This led to the discovery of a laboratory where the drug was transformed into highly pure cocaine—which had not been previously observed in Bolivia.

Cocaine sulfate or cocaine base paste is normally shipped in a wet pack to Colombia where it was refined.

National Defense Secretary Mario Soliz and Prosecutor Fernando Ugarte held a new conference at which they confirmed that the 18 individuals arrested, among which are four Colombians, worked directly with the Cali Cartel of Colombia.

One of the arrested individuals said the head of the cartel is Pacho Herrera, currently sought internationally by antidrug forces.

The laboratory was equipped with weapons, radio equipment, and everything needed to manufacture cocaine. The police even found a pump to bring water from the river to the camp, fans to dry the drugs, and a hydraulic press to pack the cocaine prior to shipping.

The drug was transported to Colombia, via Brazil, from where it was shipped to several parts of Europe, especially The Netherlands. [passage omitted]

Government Will Not Suspend Coca Eradication To Negotiate

PY2203153594 La Paz PRESENCIA in Spanish 9 Mar 94 p 7

[Text] On 8 March, Government Minister German Quiroga rejected the position adopted by coca producer leaders, who demand the suspension of antidrug operations in Chapare to eradicate the coca plantations prior to the long-awaited negotiations.

Explaining the recent confrontations in Chapare between coca producers and antidrug forces to the Senate Antinarcotic Struggle Committee, the minister flatly maintained that actions by the Mobile Police Units for Rural Areas (Umopar) in the tropical region seek to control traffickers, not coca producers.

Quiroga stated that the actions in Chapare will continue despite opposition by coca producers.

Regarding demands by coca producers leaders to sit down and talk with the government, Quiroga said he agreed to suspend the forced eradication of coca because "at this time no leader is under arrest."

"Wherever we find a maceration pit or a cocaine laboratory we will destroy it," he said.

He indicated that the government is awaiting a call from the Bolivian Labor Federation, which is mediating in the negotiations, to proceed with a meeting between the coca producers and government that is scheduled for today.

He stated that the government wants to reach an agreement with the producers, without implying any loss for the campesinos, and wants to stop the supply of precursors to the traffickers.

He noted that the results of the fight against trafficking is reflected in the price paid for a drum of coca leaf: On 1 February 1994 a drum cost 270 bolivianos, today it costs just 90 bolivianos.

Government-Coca Producers Dialogue Falls

PY2203123494 La Paz PRESENCIA in Spanish 11 Mar 94 p 1

[Text] The government and coca farmers failed yesterday to reach an agreement that will pacify the coca producing zones in El Chapare region of Cochabamba Department.

Following long meetings, the peasant leaders decided to withdraw from talks with the cabinet members. They said the ministers broke the preliminary agreement reached on 9 March.

The article that caused the breaking of relations sought to make the coca leaders promise to engage in voluntary eradication of plantations "without interference" from the peasants.

Until dawn on 10 March, considerable progress was made toward overcoming the atmosphere of violence that prevailed since 5 March when officials from the Coca Eradication Directorate (Direco) and members of the Mobile Police Unit for Rural Areas clashed with 4,000 coca farmers in the Chapare.

Foreign Minister Antonio Aranibar and Minister of the Government German Quiroga, as well as coca peasant leader Evo Morales and COB [Bolivian Labor Federation] leader Oscar Salas, said yesterday that there are implicit threats to use violence again in the tropical Chapare region.

Government and union leaders blamed each other for breaking the agreement, which the public considered a positive step toward an atmosphere of peace in the agitated central region of Bolivia.

"The government will ensure that the law is respected," Minister Quiroga told journalists after meeting with President Gonzalo Sanchez de Losada.

Minister Aranibar expressed "the government's disenchantment and frustration at the result of the conversations." He said the issue "was handled with full respect for the political will to resolve the problems within an atmosphere dialogue, understanding, and the spirit of Law No. 1008." He said that the opposition of some coca

leaders to the control of excess coca crops is just as unacceptable as when organizations like the JIFE [International Council of Narcotics Control] suggest a ban on the consumption of coca leaves.

Brazil

Portugal President Soares Arrives for 9-Day Visit

PY1903001494 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 18 Mar 94

[Text] Portuguese President Mario Soares arrived in Rio de Janeiro today. He will start the first leg of his nine-day visit to the country. He said that the country has progressed since his last visit last year, adding that he trusts the new economic plan will succeed.

President Mario Soares expressed support for the proposal by Ambassador Jose Aparecido to create a community of Portuguese-speaking countries.

The Portuguese president also will visit Curitiba, Bahia, and Minas Gerais.

Cardoso Discusses Low Wages, Possible Candidacy

PY2303025494 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 22 Mar 94

[Report by Flavio Figueiredo from the Finance Ministry]

[Text] Finance Minister Fernando Henrique Cardoso today said that the Constitution clearly states that no public employee can have a higher salary than the president of the Republic's. The minister admitted that public employees' salaries are low. He added, however, that at the current moment—when everyone's capacity to sacrifice is being tested—it is not acceptable that cuts be implemented in the salaries of some and not in the salaries of others. The finance minister said that if the problem in converting salaries into Real Value Units results from the wording of the provisional measure, he will ask President Itamar Franco to write another text.

Minister Cardoso today held a meeting with businessmen at the National Confederation of Industries headquarters and tried to calm down the financial market. He denied today the rumor that 30 April will be a bank holiday. According to him, it will not be a holiday because the government does not want to touch savings passbooks or freeze prices:

[Begin recording] There will be no bank holiday on 30 April or any other day because we will not touch the savings passbooks or, by no means, impose price controls. We will force prices down, control abuse, but will not control prices or anything else that might affect the people's pockets. There will be no bank holiday; this is a thing of the past and it is over. [end recording]

Minister Fernando Henrique Cardoso today received the businessmen's support for the economic stabilization plan. They asked the minister, however, to do his best in favor of the constitutional reform because they deem it fundamental for the plan's success.

Some entrepreneurs also expressed their support for Cardoso's possible presidential candidacy. The minister, however, said the decision will depend on popular support:

[Begin recording] To become a candidate, I need the people's votes. The moment I feel the people really want me to become a candidate and that they feel that by becoming a candidate I am not abandoning the plan, but helping making it successful, then I will be able to decide better. [end recording]

During the meeting with the businessmen, the finance minister again asserted that the implementation of the new currency, the real, will be announced well in advance in order not to surprise anyone.

Financial Community 'Does Not Hide' Support for Cardoso

PY2203024594 Sao Paulo GAZETA MERCANTIL in Portuguese 21 Mar 94 p 6

[Article by Getulio Bittencourt from New York]

[Text] During his trip to the United States last week, the last question asked of Finance Minister Fernando Henrique Cardoso elicited the only vague reply. So, will you run for the presidency of the Republic, Mr. Cardoso, or is it still a secret? "It is not a secret," he answered calmly, "but I still have to settle some things. I have not yet made up my mind."

The international financial community does not hide its preference for the finance minister as the next Brazilian president. Thomas J. Trebat, an executive manager from the Chemical Bank, contends that Cardoso is the best hope for the continuity of the present economic reforms under the next Brazilian president.

Tamzin Hobday, a Latin American expert at Baring Securities, cherishes the hope that a coalition among the PSDB [Brazilian Social Democracy Party], the PFL [Liberal Front Party], and the "ethical sector" from the PMDB [Brazilian Democratic Movement Party] will choose Cardoso as presidential candidate. Ed Cabrera, a Latin American expert at Merrill Lynch, believes that if Cardoso's stabilization program achieves a measure of success he will outpoll all the other candidates, heading a center-left coalition in the runoff elections.

Sao Paulo Prefect Maluf To Run for President

PY2203141894 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Mar 94 Section 1 p 8

[Article by Carlos Eduardo Alves]

[Excerpt] Sao Paulo Prefect Paulo Maluf told the leadership of the PPR [Progressive Renewal Party] yesterday

that he will be a presidential candidate in the elections to replace President Itamar Franco. "I will be a candidate, I will leave the prefecture on 30 March and I expect everyone's help" said Maluf during a three-hour meeting in his house in Sao Paulo. Maluf seeks to end the pressure from friends and relatives not to run for president.

Senator Esperidiao Amin (SC) [Santa Catarina], national president of the PPR, made the announcement. He said: "I am convinced Maluf will be our presidential candidate." A good part of the meeting was used to evaluate the studies of Maluf's electoral possibilities and of the PPR candidates for state governors.

One point emphasized by Maluf was the concentration of his support, as shown in the polls, in the middle, lower middle, and lower classes of the population which cover the largest part of the electorate. The evaluation of the PPR is that Finance Minister Fernando Henrique Cardoso (PSDB) [Brazilian Social Democracy Party] who would be Maluf's direct competitor in a second round would have problems getting the votes of the poor. [passage omitted]

Labor Party Outlines Government Program

PY2203215094 Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Mar 94 Section 1 p 17

[Text] The Democratic Labor Party (PDT)'s preliminary government program is as follows:

Economy

To defeat inflation by moralizing public finances, reversing international losses, and radically reformulating the domestic debt that enslaves the government to financial interests.

To stop international losses by reversing the transfer abroad of the net national capital flow.

To negotiate the foreign debt by making the interest rate fixed and attributing to the remaining debt an intermediate value situated between the nominal value and the value recognized in the secondary market. To subordinate the debt payment to the domestic economy's growth by eliminating speculative increases.

To promote auditing of the domestic debt by ascertaining responsibility for irregular contracting and irregular use of the debt with criminal accountability, whenever appropriate.

In the use of the exchange reserves, to give priority to the importation of capital goods required for updating industry and by not allowing these reserves to be squandered in servicing the foreign debt.

To reduce illegal currency evasion.

Minimum Wage

To reinstate the minimum wage's purchasing power, based on studies conducted by the Interunion Department for Statistics and Socioeconomic Studies that indicate that the minimum wage's purchasing power should be $350.

Electoral Reform

To implement public financing of electoral campaigns, thus fighting economic influences to break down the oligarchic clique that controls power.

Financial System

To reform the financial system by recovering the public indebtedness capacity and making savings-attracting and savings- investing instruments more adequate for the productive sector's long-term financing needs.

Agrarian Reform

To give land to 20 million people by settling communities in areas neighboring secondary roads and by making use of the agricultural districts nuclei to create "rural cities."

Education

Full-day schooling with four meals ensured per day. To receive at the Integrated Public Education Centers, on an emergency and temporary basis, poor or abandoned children from six to 14.

To organize mandatory elementary education in five years. The students' grading will be done throughout the period without the dreaded possibility of repeating the year, which so inhibits those students coming from a meeker strata of society. To have five years of high school education and two more years of university-level studies and/or two years [as published].

Communication

No one nor any group will be able to control more than 30 percent of the social communications system in one state or the country.

No one nor any group can own a radio station, newspaper, magazine, or television channel at the same time.

Forty percent of the television programs must be produced locally—30 percent by independent producers, and only 30 percent in national network.

To review the distribution of official funds allocated to publicity through a compensatory system that is not only commercial.

Open new credit lines for the creation of a new communications system in the country. The BNDES [National Bank for Economic and Social Development] does not make loans to printed communication companies compromising democratic plurality.

Stimulate research and the use of new technologies to produce and recycle paper in order to revitalize this market that is being threatened by external cost fluctuations.

Taxes

Maintain and strengthen the goods and services distribution tax.

Create three other direct taxes: a tax on personal consumption (replacing the IR [income tax] and affecting the difference between income, savings, and investments), an assets tax, and a tax on the hereditary or gratuitous transfer of assets (inheritances, donations).

Constitutional Revision Work To Continue

PY2203211594 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 22 Mar 94

[Text] The party leaders in the Senate and Chamber of Deputies today decided to accelerate the constitutional revision process. They spent the morning meeting with the presidents of the two houses. They also decided to suspend payments to the Judicial and Legislative Branches until the impasse over the wage increase is solved.

The constitutional revision sessions will begin earlier as of today, that is, at 1500. The PMDB [Brazilian Democratic Movement Party], the largest party in Congress, will be in charge of the political coordination. On Tuesdays, Wednesdays, and Thursdays the PMDB will gather the leaders of the other parties to try to reach an agreement on the afternoon voting sessions.

The party leaders also decided to create two committees, one to deal with the Social Security reform and the other to deal with tax reform. Constitutional revision rapporteur Deputy Nelson Jobim believes this will facilitate the revision work:

[Begin recording] If a consensus is not reached on a subject it will then be voted on, approved or rejected. That is, the process will continue. [end recording]

After the meeting the presidents of the two houses announced they decided to suspend paying deputies, senators, and Congress employees until an agreement is reached on the conversion of salaries into URV's [Real Value Unit]. Neither Chamber of Deputies President Inocencio Oliveira or Senate President Humberto Lucena have mentioned retreating from their position regarding the salary increase. Nonetheless, they bet on a negotiated solution.

[Begin Humberto Lucena recording] I think we must act like firemen, but we must not add fuel to the fire. Now, in a presidential system such negotiations could only prosper by initiative of the president of the Republic, who is the one who commands the political, administrative, and institutional process of the country. [end recording]

CNBB Document Details Proposals for Change

94SM0260A Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Feb 94 p 1-6

[Article by local reporter Kennedy Alencar]

[Text] The Catholic Church will present the candidates for president with a plan for this country in which it proposes an end to what it calls the "democracy of the elites." The idea, expounded in a document obtained by FOLHA, encourages a political "revenge" in this year's elections: "use your vote to judge those congressmen and politicians who have betrayed their mandate from the people."

The document, entitled "Brazil: Alternatives and Protagonists," is the way the National Conference of Brazilian Bishops (CNBB) has chosen to influence the presidential election, in addition to proposing a long-term political and economic plan for the country.

Drafted by a commission from the Social Pastoral office of the CNBB, the text says that Brazil is a "society in which only a democracy of the elites is practiced" and in which "consultation with the citizens is avoided and feared." The Church appeals for changes that must occur in a society that is "stupefied" by the events that led to the impeachment of Collor and the proposal to expel and strip political rights from corrupt congressmen.

The document is the result of a consolidation of documents contributed by 14 regional units of the CNBB, which held meetings with civic organizations. The CNBB proposal will be discussed during the Second Brazilian Social Week (24 to 29 July in Brasilia) and presented to the presidential candidates during an evening of debate. Father Inacio Neitzling, coordinator of the commission, says it is a "controversial document that is intended to be discussed and will provoke plenty of debate both within and outside the Church." The meeting is likely to be the scene of a clash between progressive and conservative elements in the Church.

The bishop of Jales (Sao Paulo State), Dom Luiz Demetrio Valentini, head of the Social Pastoral office, says "it is more than legitimate that the CNBB get involved in the elections and submit alternatives, not just for the immediate future, but for the long term as well." According to Valentini, the document does not support any individual candidate. It does, however, identify similarities between the CNBB proposals and ideas advanced by the PT [Workers Party], the PSDB [Brazilian Social Democracy Party], and sections of the PMDB [Brazilian Democratic Movement Party] and the PDT [Democratic Labor Party].

The document, to be released nationwide on 24 March, contains detailed proposals for an economic model, agrarian reform, education, the media, Mercosur [Common Market of the South], the role of the Armed Forces, and military and civilian policies. Final touches

are still being put on proposals pertaining to the environment, the judiciary, urban renewal, health, and specific suggestions for each region of the country. The plan will be debated at the meeting in July and may be modified.

Educational Change Makes Greatest "Impact"

The Church document calls education the priority "of greatest impact" to change the country, something that "will genuinely ensure the distribution of income and social justice." The subject is seen as the basic condition for development and the exercise of citizenship. The chief proposal in this area is the adoption of full-day school sessions.

The part of the document that deals with agrarian reform states that in Brazil there is an unlimited right of ownership that has created "a capitalistic monopoly on farmland." Apparently born of free enterprise, the property right—according to the text—has been translated into the practice of "using and abusing the entire extension of land that you buy." The Church believes agrarian reform "is urgently needed" in order to democratize Brazilian society.

With respect to the media, the document points to "contradictory" aspects in assessing its "near indispensability" and the need to democratize the media organizations. According to the text, there is a "scandalous" degree of concentration in that sector. "About 90 percent of everything that Brazilians read, hear, and see through the media is controlled by fewer than nine families."

The Church criticizes the means by which the Mercosur (the common market formed by Brazil, Argentina, Uruguay, and Paraguay) was created, stating that only economic interests were considered and that "human and social aspects" were left out. In the opinion of the Church, the "Rio-Sao Paulo industrial axis" and the "Argentine agroindustrial complex" are the only beneficiaries, because of their competitive clout. The Church suggests a plebiscite.

The text states that the "military apparatus has been taken over by arbitrariness and prepotency." And it proposes that "society should control" the military and police forces. The Church finds that there is now "proximity between the police and illegal groups" such as the death squads, the narcotics traffic, and criminal elements.

Excerpts

In analyzing the performance of the politicians: "Elected officials, in the name of representation but with their backs turned, sneakily act according to their own personal inclinations and protect the interests of the privileged."

On the subject of the media: "It is important to accentuate the fact that although the power of the communications media in Brazil today seems almost absolute and totalitarian, it does, like all institutions throughout history, have its contradictions and limitations."

On Mercosur: "It is surprising to see how this agreement is being worked out solely on the basis of the interests of businessmen and traders."

On the Armed Forces and the police: "This armed wing of the state has on various occasions constituted itself as a truly independent force that has often taken upon itself the responsibility to determine the course of the Brazilian nation, as was the case in the recent period of military dictatorship."

Constitutional Revision is "Deplorable"

The constitutional revision is described as a "deplorable spectacle staged by the National Congress," according to the CNBB text. The document observes that the way the revision of the Constitution is being handled endangers "the democractic fellowship."

The document expresses the belief that the revision is being done hurriedly, with participation by lobbies from the federal government, the military, and other groups—especially the national and international business community. The document asks: "Might this be the last chance to revisit the Constitution with a view to inserting in it the implantation of the neoliberalism imposed by the IMF and by the interests that represent and are accepted by almost all the Brazilian elites?"

The Main Proposals By the Church

The Economic Model:

- Rejection of the neoliberal model and attempt to construct a new model as a paradigm of modernity
- An economy that prioritizes the social and subordinates the economic
- Alternative government policies based on the experiences of grass-roots entities in civilian society

Armed Forces and the Police:

- Democratization of the Armed Forces and the police, with control exercised by the public
- Elimination of arbitrariness and prepotency in those forces

The State:

- Social pact between the principal economic, political, social, and cultural agents
- Deprivatization of the State and destatization of society

Agrarian Reform:

- Distribution of lands, starting with the largest tracts in each region, the least cultivated, and those that either do the most environmental damage or most seriously impede a healthy environment

- Agricultural credit and technical assistance to small farmers, with adoption of alternative agro-ecological methods appropriate to each region
- Guaranteed means of transporting, warehousing, and marketing the products

Mercosur:

- Plebescite on the terms of the agreement
- Extension of deadlines for opening up borders, to allow countries to better prepare for competition
- Cultural integration of universities, churches, and unions

The Media:

- Installation of public radio and TV sets in each city
- Regionalization of cultural, artistic, and journalistic production at all radio and TV broadcasters, to constitute 40 percent of programming
- Guarantee of free radio and TV air time for state and national civic organizations
- Protection for journalists through insertion of a "conscience clause" in their employment contracts, based on ethics and the public interest

Education:

- Full-day school sessions in all public elementary schools
- Ban on hiring minors to work during school hours
- Guarantee of one minimum monthly wage for each family with dependent children
- Hiring 500,000 new teachers in the midterm future
- Municipalization of education, using criteria defined in law

Bank Committee Endorses Agreement Without IMF Guarantee

PY2203030994 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Mar 94 Section 1 p 10

[Article by Fernando Canzian and Fernanda Godoy]

[Text] The Creditor Bank Advisory Committee at 1709 yesterday (1909 Brasilia time) released a communique informing the international financial community that Brazil is willing to conclude on 15 April an agreement to renegotiate its foreign debt. The advisory committee's "waiver" will permit the conclusion of an agreement on the $35 billion debt owed to private creditor banks without the guarantee ("standby") of the International Monetary Fund.

With a speech delivered in New York, and with the tone of a candidate for president, Finance Minister Fernando Henrique Cardoso took advantage of the proximity of the conclusion of the agreement.

At least two-thirds of private creditor banks (out of a total of 440) need to give a positive answer to the Advisory Committee's waiver before 24 March. If this does not happen Brazil will need the IMF guarantee to sign the agreement. The Committee's communique recommends that banks endorse the agreement.

During an interview at the Intercontinental Hotel yesterday, where he is staying, Cardoso said he is sure that creditor banks would agree to the Advisory Committee's suggestion.

On 16 March the IMF refused to guarantee the agreement, compelling Brazil to provide by itself—without money from international financial organizations—the guarantees demanded by creditor banks. On 15 April, Brazil will have to prove to creditor banks that it has $2.8 billion in zero-coupons (U.S. Treasury bonds with a 30-year maturity period and zero interest) to guarantee the agreement.

"Brazil is a prudent country, and will know how to present that guarantee," Cardoso said, without specifying whether the country has already purchased the coupons from the secondary market. Brazil could have purchased the bonds from the U.S. Treasury at a lower price if it had had the IMF "standby." According to the minister, the bonds will be deposited at the BIS (Bank of International Settlements) in Basil, Switzerland, on the date the agreement is signed. Financial market sources have said that Brazil has already purchased those coupons.

The minister said the final negotiation of the debt agreement was "a nice, well-designed operation." But he refused to say when or how Brazil purchased the zero-coupons that will be used as a guarantee for the exchange of Brazilian debt certificates.

Cardoso said the agreement proves that Brazil is a "solvent" country and "promotes economic growth, reduces the Brazilian risk, and reduces international interest rates for the country." Cardoso added that "the end" of the debt problem will make growth more feasible, and will "strengthen any candidacy supporting an economic program like the one we proposed."

He said Brazil has turned over a new leaf. "I am particularly satisfied, because I have accompanied this process for 11 years, since the time I was a senator," the minister said. The signing of the agreement, he said, will facilitate the entry of foreign financial resources into the Brazilian economy. "The Brazilian risk will have to drop, the 'spread' [preceding word in English] (interest surcharge) will have to drop," he said.

Government Begins To Implement Real Value Unit Adjustments

PY2303031494 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Mar 94 p B5

[Text] The government has begun to regulate the adjustments of public rates and prices, using the Real Value Unit (URV)'s variations. Airline tickets already may be adjusted using URV's. Afterward, it will be fuel, electricity, and postal rates' turn.

Resolution No. 134, signed on 18 March in Brasilia, authorizes the adjustments of airline tickets, using the

previous period, that is, on the 1st, 11th, and 21st of every month. The 11 March increase had been postponed waiting for this guideline. Airline companies still are negotiating the conversion of airline tickets into URV's. Two weeks ago, airline companies increased tickets 26.33 percent.

The other rates also will be indexed using URV's, but they will still be expressed in real cruzeiros to avoid losses in the collections by state-run companies over the conversion [into URV's] by using the average prices of the last four months of 1993, as determined by Provisional Measure No. 434. Finance Ministry experts reported that the next increase will be implemented in April, already using the URV's variation.

This regulation is not compulsory for the rates of state-run companies. The federal government will monitor the variation in these state rates to prevent abusive adjustments.

In Sao Paulo, Finance Ministry special adviser Jose Milton Dallari on 21 March asked the manufacturers of car paints—Basf, Renner, and Akzo—for an explanation of prices in URV's between 15- and 20-percent higher than the average prices of the last four months of 1993. The entrepreneurs told him the increase was caused by a price increase in vinyl acetate, a raw material manufactured only by Rhodia. Dallari asked them to send him a cost sheet by 25 March. If the explanations are unconvincing, he said, this case may be submitted to the free competition defense organizations for consideration under the law on oligopolies control.

The Finance Ministry adviser also met meat-packing plant owners and transportation company executives. The National Association of Overland Transportation Companies reported that it already has been implementing the adjustments using the URV's for one week with an 11- to 20-percent reduction in freight charges, depending on the cargo, and the removal of financial costs and inflation adjustments. A National Association of Overland Transportation Companies director said the reduction will be maintained if the manufacturing companies do the same.

In Dallari's opinion, most entrepreneurial circles "still are negotiating and seeking an agreement." He said it is quite likely that by late March most prices will still be adjusted by using real cruzeiros.

In Rio de Janeiro, pharmaceutical representatives on 21 March delivered to Finance Ministry experts in Rio de Janeiro documents with information on the variation of their prices since the URV's implementation. The data will be reviewed by Jose Milton Dallari, who already has declared that he believes the price adjustments of medicines are high and that he will ask for a revision. The meeting had been scheduled to begin at 1400 with the presence of Dallari, who was delayed in Sao Paulo. At Dallari's request, the meeting was not canceled, but his absence somewhat minimized the meeting's importance. Some important pharmaceutical entrepreneurs preferred not to attend the meeting.

Jet Nozzle Uranium Enrichment Project Cancelled

PY2003182294 Rio de Janeiro O GLOBO in Portuguese 19 Mar 94 p 18

[Report by George Vidor]

[Text] Brazil has dropped its project to enrich uranium through the German jet nozzle process. But not all of the nearly $500 million invested in Nuclei's unfinished industrial facilities in Resende (RJ) [Rio de Janeiro] will be wasted. Brazilian Nuclear Industry, the group's holding company, intends to use part of the equipment to transform the imported enriched uranium into powder and then into pellets. The pellets will then be transformed into the fuel elements, which are currently made by another company branch.

In order to make this adaptation viable it will be necessary to invest an additional $15 million in the Nuclei facilities. Only South Africa and Brazil have built installations to enrich uranium through the jet nozzle process. But the project is today considered economically unfeasible, besides having been questioned in scientific circles.

Jet nozzle technology involves the separation of uranium's heaviest isotopes (238) from lighter ones (235). In this process the uranium ore is made to circulate in a gaseous form (hexafluoride) through equipment operating successive cascades. The predominant uranium enriching process in the world today is called the ultracentrifuge process. In this process the machines rotate instead of the gas (uranium remains in solid state up to a temperature of 56 degrees centigrade. At higher temperatures it becomes uranium hexafluoride gas).

A proposal studied earlier was to incorporate Nuclei facilities into the Aramar project that is being built by the Navy, which developed its own untracentrifuge technology to supply fuel to the nuclear submarine now under construction. The idea did not prosper because Nuclei was designed to produce 160,000 enriched uranium units a year (enough to supply the Angra-2 and Angra-3 power plants), while the submarine will only need 1,000 units.

Environmental Funding Problems Viewed

PY2203221094 Sao Paulo GAZETA MERCANTIL in Portuguese 21 Mar 94 p 14

[Article by Francisca Stella Fraga from Sao Paulo]

[Text] As of June 1992, when the UN Conference on Environment and Development—Rio '92—approved Agenda 21 that establishes that the rich countries must supply new resources in favorable conditions to developing countries so they can protect the environment, the

Brazilian Government's strategy for negotiating external financing in this sector became based on that principle. Meanwhile, organizations such as the World Bank continue to insist on traditional financing criteria for releasing resources for environmental projects.

This criteria has been one of the most serious obstacles to implementing projects that follow the Rio '92 objectives to open the way for sustainable development, according to Pedro Mota Coelho, chief of Itamaraty's Environment Division. The demand that Brazil put up matching funds for the financing of environmental projects that is systematically imposed by the World Bank is an evident example that the bank is using traditional credit mechanisms. According to Mota Coelho, the demand goes against the guidelines contained in Agenda 21, especially in the cases in which the World Bank acts as an intermediary in obtaining resources from the rich countries, such as the case of resources for the Ozone Fund, which was created to finance projects for preventing the destruction of the earth's ozone layer.

"The release of resources must have a better flow," Mota Coelho said. "It is clear that we must do our lessons at home, and that is what we are doing."

And it is this effort that is being incorporated into the task of a group being coordinated by the Planning Secretariat of the presidency, in other words, Seplan [Secretariat of Planning and Coordination of the Presidency of the Republic]—which involves the Environment, Finance, and Foreign Ministries, among others—was created in order to specifically simplify the forms and mechanisms for the reception of external resources. "At this stage, even the reception of donations is very difficult," Mota Coelho said.

Denmark

This is why Environment Minister Rubens Ricupero frequently has repeated during financing negotiations that Brazil is not Denmark. If it was, then its institutions would function magnificently and the public organizations involved in the environmental field would be perfectly structured to comply with their functions. But even if this was true, financing would not be necessary either. Among its numerous shortcomings, Brazil needs resources in order to improve its organizations.

Guideline Changes

Environment Ministry executive secretary Sergio Silva do Amaral stressed that Brazil's environmental sector has had considerable changes in guidelines during the past few years and this has caused a major lack of stability. The Ibama [Brazilian Institute for the Environment and Renewable Natural Resources], which was created in 1989, has had nine presidents in a four-year period; and the Environment Secretariat and the Environment Ministry also have changed chiefs fives times since 1992. In addition, Ibama does not have the resources to handle complex international negotiations. Four hundred technicians were trained recently to handle this, he stated.

Amaral also stated that the Federal Government's budget restrictions do not help in releasing matching funds for financing. This even affected the National Environment Program, the PNMA, which was instituted precisely in order to improve the public administration's efficiency in the environmental field. The PNMA is now 36 months old but has only received regular budgetary resources for the past 17 months. According to the PNMA, the government is restructuring in order to improve its evaluation of the specific situation of each project in order to prevent this from continuing.

Simplifying Problems

According to Amaral, another effort that has been made is that of seeking an understanding with the government's economic sector in order to simplify the procedures for the release of external resources. He states that there has been progress regarding the mechanisms of the National Environment Fund (FNMA), which is financed by the Inter-American Development Bank (IDB). The economic sector's green light for the use of resources was so delayed that at times it passed from one fiscal year to the next year and this demanded new agreements, within an infinite process of bureaucratic actions, for the use of the resources.

Amaral now says it is possible to use the balance from one fiscal year the next year without signing new agreements.

He also stresses that the World Bank itself is contributing to the delay in approving projects. It has the habit of delaying in order to evaluate and name consultants. In addition, the projects are revised very frequently. This why the Brazilian Government has suggested that the World Bank also should adopt more rapid measures where it is concerned.

The external resources the Brazilian Government has negotiated for the environmental field are divided into four areas:

- Amazon Pilot Project: To be financed by the seven richest nations in the World—the Group of 7—for the preservation of Brazil's tropical forests. The initial provision made in 1990, when the project was approved by the member countries in Houston, amounted to $1.6 billion. During the 1991 Geneva meeting it was agreed that the first part of the resources—$250 million—would be released and 12 projects were approved. Of the 12 projects, seven are very well advanced in their drafting. But the resources have not been released yet.
- Projects for biodiversity preservation that are to be financed with a fund of $18 million from the resources of the Global Environment Facility [title published in English] (GEF), which was created in 1991 and is supported by the World Bank, in addition

to the $18 million Brazil will have to put up in matching funds. The GEF also has promised to release $30 million for other environmental projects and the Brazilian Government promised $12 million in matching funds.

- The restructuring of Brazilian organizations involved in the environmental sector. The PNMA has contracted financing of $117 million with the World Bank in order to strengthen the country's environmental institutions and organizations, to implement projects to protect natural resources, and to support projects for the decentralization of environmental activities.
- The FNMA was created with capital of $22 million from the IDB and $8 million in government matching funds for the financing of low- cost projects—up to $200,000—for the preservation of environmental areas, research, biodiversity, and activities pertaining to environmental preservation. This is a little-known program that can be used by municipalities and nongovernmental organizations. Some of the funds already are being used.

Petrobras To Invest $85 Million in Santos Basin

94SM0260D Sao Paulo GAZETA MERCANTIL in Portuguese 10 Feb 94 p 16

[Article by Sao Paulo correspondent Jose Mauro Arbex]

[Text] Petrobras [Brazilian Petroleum Corporation] will invest $85 million this year in making surveys of seismic data and drilling wells in the Santos basin, a 350,000 sq km area extending from Cabo Frio (Rio de Janeiro State) to Santa Catarina. At present, Petrobras is keeping three probes busy drilling wells in the Santos basin, and a fourth will be installed next week.

"The goal of this effort is to find alternatives to the Campos Basin in Rio (the company's main drilling site). The potential for new offshore petroleum discoveries in the Santos basin is very high," said Dimas Dultra Simoes, assistant superintendent of operations for Petrobras's exploration department.

According to Simoes, the Santos basin has an estimated potential of 200 million barrels of oil equivalent. The fields already discovered in that basin are Tubarao, Coral, Estrela do Mar, Merluza, and Caravelas. One of the producing wells in the Caravelas field, 1-BSS-64, has the highest flow rate of any in Brazil, contributing about 10,000 barrels of petroleum a day.

Of the three wells now being drilled, the 1-BSS-74, located 180 km off Sao Sebastiao, on the Sao Paulo coast, is the first deepwater well in Sao Paulo. It is 1,140 meters deep. "That well is in the final drilling stages. Within the next several days, we will find out if there is oil there," Simoes said. The other two wells are the 1-BSS-72 and the Caravelas, an extension of the Caravelas field.

The Santos basin has also shown good prospects as a source of natural gas. The Merluza field has an average production of 600,000 cubic meters of gas per day and a potential to reach the 2 million cubic meter/day level. The field has proven reserves of 13 billion cubic meters of natural gas.

According to Simoes, interest in exploiting the Santos basin increased after the seismic data survey done by ship from 1992 to early 1993. In that effort, which involved an investment of $15 million, a radiography was made of the subsoil, surveying the best sites to drill wells. "At the moment, Petrobras is studying an integrated project to boost production in the basin," he said.

Roundup of Economic Reports

PY1803225494

[Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 17 March.

The Brazilian Petroleum Corporation will invest $42.2 million in 1994-97 to develop oil byproducts from the Marlim and Albacora oil fields located in the Campos Basin. It is expected that this program will generate approximately $1 billion in profits between 1995 and 2001. (Sao Paulo GAZETA MERCANTIL in Portuguese 10 Mar 94 p 15)

On 9 March, British Treasury Secretary Michael Portillo met Brazilian Aeronautics Minister Lelio Viana Lobo to discuss the sale to Brazil of eight Rolls-Royce engines worth $100 million for three Boeing 777 planes. British Ambassador to Brazil Peter Heap said Transbrasil and the British company have not yet signed a sale contract but a letter of intent. (Sao Paulo GAZETA MERCANTIL in Portuguese 10 Mar 94 p 6)

On 9 March, President Itamar Franco signed a decree establishing two new free zones in the municipalities of Brasileia/Epitaciolandia and Cruzeiro do Sul, Acre State. A total of seven areas already have been placed under the special fiscal system in the country. (Sao Paulo GAZETA MERCANTIL in Portuguese 10 Mar 94 p 6)

Rio Doce Valley Company's vice president, Anastacio Ubaldino Fernandes Filho, reported that the company is planning to trade future gold production in the international market, through which it expects to attract $180 million in foreign capital. Fernandes said the company is analyzing proposals by financial institutions to mediate in the operation. (Sao Paulo GAZETA MERCANTIL in Portuguese 10 Mar 94 pp 1-22)

Tax revenues increased 24 percent in February, a drop of 9 percent compared with January, but an increase of 40.38 percent compared with the same month last year. (Sao Paulo GAZETA MERCANTIL in Portuguese 14 Mar 94 p 5)

Fuel prices were adjusted 19.5 percent as of 14 March. The prices of alcohol, gasoline, diesel oil, and cooking

gas have increased 124.86 percent so far this year. The last 18.5 percent readjustment was decreed on 24 February. (Rio de Janeiro O GLOBO in Portuguese 15 Mar 94 p 21)

The Itamarati business group will invest $250 million in the next four years in a sugar cane project in Barra do Bugre, Mato Grosso State. The group owns 25,000 hectares of cultivated area in the region and a sugar mill currently producing 1 million sacks of sugar and 80 million liters of alcohol. (Sao Paulo GAZETA MERCANTIL in Portuguese 17 Mar 94 p 26)

Rio Drug-Trafficking Gangs Linked to Kidnappings

PY1803224094 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Mar 94 Section 3 p 3

[Text] Rio de Janeiro—The current wave of kidnappings and holdups has demonstrated to police the new guidelines of the two main organized crime branches in Rio de Janeiro State. According to Helio Vigio, chief of the DAS [Counter-Kidnapping Headquarters], the main drug traffickers from the Comando Vermelho and Terceiro Comando gangs have established illegal enterprises to supply men and weapons and plan the collection of ransom, and they even have experts to negotiate with the kidnapped victims' families.

According to police, Flavio Negao, from the Vigario Geral slum, and Orlando Jogador, from the Alemao and Marcelo Xara slums on Varginha Hill, besides being drug traffickers also kidnapped people and stole bullion in the past four months. "The news now is that smaller gangs are kidnapping minor businessmen to raise money to buy drugs," said Inspector Placidio Guimaraes, DAS operations chief.

Other gangs, like that of drug trafficker Robertinho from Parada de Lucas slum, which is linked to the Terceiro Commando, rent sophisticated weapons for kidnapping and bullion robbery operations. They also provide men for operations in exchange for a percentage of the ransom. Joel de Oliveira Carvalho says he is "an expert in negotiating with the victims' families" and also provides other services to kidnappers.

Vigio says drug traffickers usually buy drugs in return. "If police discovers one of their drug caches, they need to find money quickly to buy more drugs and not lose their supplier," he said.

According to DAS, there currently are seven kidnapped people in Rio de Janeiro.

SCD-1 Satellite Services To Expand in LA

94SM0260B Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Feb 94 p A-16

[Article by Julio Ottoboni]

[Text] Sao Jose dos Campos—In celebration of the Data Collection Satellite (SCD-1)'s first year in orbit, Minister of Science and Technology Jose Israel Vargas and the director of the National Institute of Space Research (INPE), Marcio Nogueira Barbosa, announced yesterday in Sao Jose dos Campos that the Brazilian satellite's services will be expanded to include scientific institutions in Colombia, Ecuador, Peru, and Bolivia that have already asked the Brazilian institute to install data collection platforms in their territories. Top INPE officials are meeting in Brasilia today with leaders from 10 African countries, also interested in using the satellite's resources.

According to Minister Israel Vargas, the Brazilian Space Agency, a civilian body, will circumvent the boycotts encountered by Brazil in the transfer of sensitive technology from the developed nations. "Our space program is strictly peaceful," he observed.

In the minister's opinion, the new space agency will enable Brazil to enter the low-altitude communications satellite market. "One of the agency's first assignments is to reexamine the entire Brazilian space program," he said.

At present, the Ministry of Science and Technology has signed major space cooperation agreements with China and is studying a partnership with Argentina.

Cuba Seeks Debt Swap for Medicines

94SM0260C Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Feb 94 p 3-4

[Text] Cuban Vice President Carlos Lage said that exports of Cuban medicines could serve as part of the payment of its $48 million debt to Brazil. Two weeks ago, the two countries signed an agreement worth $30 million covering the purchase of about 200 kinds of medicines for distribution in public health programs.

Lage said the shipment of meningitis vaccine that Brazil bought, on which the "use by" dates had expired, will be exchanged free of charge. "That is all we can do," he said. On a four-day visit to Brazil, Lage also hopes to advance some technical-scientific cooperation projects in the petrochemicals and tourism areas. "We are open to foreign capital, and are specifically interested in Brazil because it is the largest country in Latin America," he said.

Chile

Defense Minister Accepts Pinochet Invitation To Visit

PY2303030394 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 24 Mar 94

[Excerpt] Defense Minister Edmundo Perez and General Augusto Pinochet today met for more than four hours at

the Armed Forces building. Perez's visit was an unprecedented event in the past four years considering that former Defense Minister Patricio Rojas never visited this place.

However, the guards stood in line early today to honor the minister. Perez, who accepted the commander in chief's invitation, was warmly welcomed by Gen. Pinochet. This gesture adds to others that clearly show the mutual wish to improve the links between the Army and the government that started under the Coalition of Parties' administration. Pinochet, accompanied by Army Deputy Commander Jorge Lucar, introduced Perez to all members of the General Staff. Each officer briefed Perez on the Army's mission and organization.

After the approximately four-hour visit to the Armed Forces building, Perez agreed to talk with the press for the first time since he was installed as defense minister:

[Begin recording] [Perez] I think relations are improving. The good relations under President Aylwin's administration gradually increased and I am only trying to deepen them.

[Unidentified reporter] But there were problems under the former administration. Do you think they will occur again?

[Perez] I don't think so; I do not perceive them in the current atmosphere.

[Reporter] Do you maintain a good personal relation with Gen. Pinochet?

[Perez] I do not think it is appropriate to talk about personal relations, but about relations between a defense minister and a commander in chief within the existing legal framework. [end recording] [passage omitted]

Colombia

De Greiff on Possible Suspension of U.S. Cooperation

PA2303023394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 23 Mar 94

[From the "24 Hours" newscast]

[Text] There are more statements by Prosecutor General de Greiff, who was unruffled by the U.S. announcement of a possible suspension of judicial cooperation with Colombia.

Although the Governments of the United States and Colombia have not made official the suspension of aid or the exchange of judicial evidence, the prosecutor general noted that if the warning is carried out his office will continue to try the narcotraffickers with the evidence that it gathers.

[Begin recording] [De Greiff] Nobody benefits. Nobody benefits from a lack of evidence exchange or a lack of cooperation.

[Unidentified reporter] Who stands to lose the most or what happens?

[De Greiff] I believe that the United States stands to lose the most.

[Reporter] Mr. Prosecutor, who do you think is—let us speak honestly—trying to trip you up?

[De Greiff] Ask the government.

[Reporter] Do you think it is necessary to reform the law on criminal proceedings again?

[De Greiff] I think that no foreign country has the right to indicate to another one how to dictate its laws. That is the mission of the legislators. [end recording]

[Earlier in this same "24 Hours Newscast" Santa Fe de Bogota Inravision Television Cadena 1 in Spanish at 0000 GMT on 23 March also carries a three-minute report on press agency reports that the United States may suspend judicial cooperation with Colombia and U.S. State Department sources claiming there is very little behind these rumors. Colombian Embassy sources said that future cooperation is being assessed and "whether material would be given to the office of Prosecutor General de Greiff in the future." In a recording, when asked about this issue Colombian Foreign Minister Neomi Sanin said: "Colombia has a sovereign and independent policy. It has its own foreign policy that is respected by all countries of the hemisphere."]

Army Approves Signing Geneva Protocol on Guerrillas

PA2203203894 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 22 Mar 94

[From the "National" newscast]

[Text] In a surprise move and after a long refusal, the Army has given its approval for Colombia to sign the Geneva Convention Protocol No. 2. The signing of this agreement grants the guerrillas the status of a belligerent force, and guarantees that the conflicts with the government will be ruled by international humanitarian law. Here is Monica Echeverry:

[Begin recording] [Echeverry] With a note sent by the defense minister and the Armed Forces commander to President Gaviria, Colombia accepts the signing of the Geneva Convention Protocol No. 2 following years of all-out opposition. Thus, Colombia acknowledges that it is in a state of war.

[Gustavo Rodriguez Vargas, member of the Foreign Ministry Advisory Commission] I believe it makes the

conflict more real. The conflict is placed within parameters that at any given moment can be more manageable for a government.

[Echeverry] In addition to this, with the signing of Protocol No. 2, a code of ethics for war is established and the rebels are given the status of a belligerent force. The rebels must now accept the humanitarian law, which involves the presence of a UN overseeing group in the peace talks. The agreement must be presented to Congress, where it will be approved. Thus, the government moves a step ahead of Samper's star proposal to advance peace, and it also opens the doors for a new peace dialogue with the guerrillas. [end recording]

Conservative Party Gains 18 New Congressional Seats

PA1903151394 Santa Fe de Bogota EL TIEMPO in Spanish 15 Mar 94 p 6a

[Excerpt] The Conservative Party gained 18 new congressional seats in Sunday's elections. Its number of Senate members rose from 22 to 31, and in the Chamber of Representatives, where up until now it had 50 representatives, it will now have 59.

These results, added to the fact the party has been consolidated as the nation's second leading political force, are a cause of satisfaction for its directors, and it has them thinking once again that the possibility of attaining the Presidency is very close.

"We are united, and leadership under Andres Pastrana has generated enthusiasm among the voters. The results are now becoming evident," stated Eugenio Merlano, secretary general of the National Conservative Directorate [DNC].

He has also hailed the fact Fabio Valencia Cossio, conservative leader from Antioquia and one of Pastrana's main supporters, had obtained the second highest number of votes in the nation.

The conservative leaders interpret this fact as a bow to the good work Antioquia Governor Juan Gomez Martinez and Medellin Mayor Luis Alfredo Ramos Botero are carrying out.

The conservatives' optimism is based on the fact that almost all of their candidates were elected. All five candidates presented for the Senate by the New Democratic Force, a movement from which Andres Pastrana rose, were elected.

The sole exception was the National Salvation Movement, which although it obtain two senate seats, only garnered one representative in the Chamber of Representatives.

It was surprising that the parliamentaries closer to Andres Pastrana, including Fabio Valencia, were the ones who obtained some of the highest number of votes in the nation, as did Jorge Hernandez Restrepo, Claudia Blum, and Gustavo Galvis. [passage omitted]

AD/M-19's Navarro Wolff on 'Alternatives for Change'

PA2103223694 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 21 Mar 94

[Report by Rodolfo Mejia Fontalvo in Barranquilla; from "Caracol's 0600 to 0900" newscast]

[Text] The presidential candidate for the 19 April Movement Democratic Alliance [AD/M-19], Antonio Navarro Wolff, has said he would continue pushing alternatives for change despite the defeat suffered in the last elections. Navarro Wolff, accompanied by his vice presidential candidate, (Jesus Pena Cue), said: AD/M-19 members have been fighters for many years and will continue to fight, and we never consider fear. We shall continue to fight for the good people everywhere, Navarro Wolff has said. He has said that AD/M-19 needs to minimize ambitions within the party and an in-depth reorganization, which must be peacefully carried out.

Paraguay

Laino Group Wins in PLRA Internal Elections

PY2203174294 Asuncion NOTICIAS in Spanish 21 Mar 94 pp 2-3

[Text] The "Lainists" [supporters of Domingo Laino, leader of the Authentic Radical Liberal Party-PLRA] yesterday won the PLRA internal elections to renew the rank-and-file committees and to elect convention members. This time this group's electoral popularity dropped considerably; it even lost in districts, which until recently were considered undefeatable bastions of this PLRA faction.

The "Lainists" by last night had obtained 60 percent of the national votes, while in last year's elections it received more than 80 percent.

The general trend showed that the appearance of independent lists (not aligned to national movements), in addition of becoming the third force, were the main element draining power from the Change for Liberation Movement headed by Domingo Laino.

The "Saguierists," [supporters of Deputy Hermes Rafael Saguier and Senator Miguel Saguier] which at the closure of the vote count were in second place (with more than 10 percent of the votes), increased their power in the capital where they have taken over committees previously run by "Lainists."

The cities of Villarrica and Coronel Oviedo provided some surprises for Laino supporters.

These two cities were considered bastions of the Change for Liberation Movement, but the voters preferred the lists not tied to the official leadership.

The "Change for Change" Movement headed by Senator Alfredo Luis Jaegli is in third place (regarding national movements). This movement mostly comprises dissidents of the Laino movement, independents, and small regional movements. It obtained results considered "excellent" by the movement's main leaders.

The elections were held in a relatively calm environment even though conflicts almost developed over problems related to the registered voters issue.

As it is known charges were made over the voters registry—and the way it was distributed—which did not include many party members who were not able to vote because their names "disappeared" from the lists.

Union Reports Illegal Entry of Radioactive Material

PY2203172394 Asuncion ULTIMA HORA in Spanish 20 Mar 94 pp 14-15

[Excerpt] Leaders of the Employees and Workers Union of the National Directorate for Civilian Aviation (SEO-DINAC) have expressed concern because no attention has yet been given to several reports of irregularities submitted to the Administrative Council of the DINAC [National Directorate for Civilian Aviation].

The unior said: "We are facing a worrisome situation over the entry of 104 kg of radioactive material under the UN Development Program through the Silvio Pettirossi International Airport."

The union added that the situation is worse because the highly dangerous cargo left the airport jurisdiction under a regulation called "cargo to be regularized" which can be considered legalized smuggling.

The union commented that approximately 18 months ago two small cans of radioactive material were found at the airport. The case was made public but nobody knew anything about how they appeared.

The union stated: "Documents now in our possession open the way to a thorough investigation that could expose a new face in the trafficking of prohibited merchandise through our airport."

The union believes several people are responsible for the entry of nuclear material into the country: One is Colonel Ramon Dardo Guerra, head of the DINAC. Another is Colonel Americo Osorio, airport director, who authorized the delivery without even the payment of the airport duties, and Victor Arevalo as the professional who mediated in this shipment. The air cargo ramp chief is also believed to be involved. [passage omitted]

Peru

Shining Path Leader Durand Described

PY2103150194 Lima EXPRESO in Spanish 7 Mar 94 p 14

[Text] Terrorist Oscar Alberto Ramirez Durand, alias Feliciano, who is considered to be the new Shining Path chief, limps on his right leg and is totally bald. Police intelligence sources believe he uses a toupee or wig.

The intelligence services indicate that Feliciano, the son of a well-known retired Army general, is the most influential leader in the collective national Shining Path leadership, the main unit of that organization since the capture of its founder Abimael Guzman Reinoso.

Various departments of the National Intelligence System (SIN) have, until now, been unable to obtain any new information on the whereabouts and the physical appearance of the terrorist.

Latest reports suggest that he is in the southern part of the country, but this is unconfirmed. There is also evidence that his hideout is in metropolitan Lima.

The PNP [National Peruvian Police] and the SIN only have two photographs of Feliciano: One is 12 years old, and the other dates back to 1988. This second photograph was taken from a video tape confiscated at the house in San Borja where it is believed Guzman took refuge.

The photograph is blurred and his physical aspects are not shown clearly. Ramirez uses glasses in both photographs. He wears glasses and is in a stage of advanced baldness.

The only new aspect to now is information regarding the limp and the toupee, according to details obtained from Shining Path members captured during the past few months.

No one close to Ramirez has yet been captured who could help draw an identifiable picture of his physical appearance.

It is not exactly known how he obtained the limp, but it is known that it was acquired some years ago.

One police officer commented that it is possible he is now completely bald and that he uses a toupee. "It is not inconceivable for him to be walking about Lima with a false identity and new physical features," the source added.

Analysts suggest Feliciano leads the hard line—Pol Pot style—sector of the terrorist group because his position is opposite to that of Guzman and of the main "historical leaders" of Shining Path. The hard line sector has been attributed with the most recent attacks.

General Criticizes Media 'Campaign' To Discredit Military

PY2203233494 Lima CARETAS in Spanish 17 Mar 94 p 21

[From the "Undercurrent" section]

[Text]

Military Party

Two weeks ago, Army Commander General [title as published] Nicolas de Bari Hermoza gathered a large number of Lima garrison officers at the Military School hall and made an aggressive speech against those who allegedly are conducting a campaign to discredit the Army. Beating on a table with his fists, Hermoza stressed that he would not allow the trial of his officers by courts of law. Afterward, he repeated the details of Army Press Office (OIE) Press Bulletin 02-94, dated 10 February. This bulletin states: "The political programs broadcast by the television channels and published by the magazines SI, OIGA, and CARETAS, and especially the newspaper LA REPUBLICA are disseminating biased reports with a clear intention of feigning (...) an Army relationship and complicity with drug trafficking."

At first sight, the first misinterpretation is that the OIE and Hermoza claim that the reports on the links between some military officers and drug trafficking are aimed against the entire Army. Thus, the military leaders attempt to protect themselves behind the Army and resort to solidarity, instead of responding to the very solid charges actually raised by Army members.

The threat to the independent press has been rejected by the media and the Journalists Association. In a strong communique signed by its dean, Miguel Calderon, the Journalists Association pointed out the press' supervisory role and asked President Alberto Fujimori to deny the report and punish those who are circulating it.

As an odd feature, it is worth pointing out that the aforementioned nine-page communique—of an entirely political content—concludes with a warning remark: "The current BIE [Army Press Bulletin] will be read and discussed with all Army military personnel."

Roundup of Economic Reports

PY1803220694

[Editorial Report] The following is a compilation of reports on economic activities in Peru monitored through 17 March.

Education Vice Minister Esther Gago Hurtado and PRC Ambassador to Peru Chen Jiuchang on 5 March signed an agreement to promote a broad program of cultural exchange and strengthen links between the two countries. The program will be implemented through 1996. (Lima LA REPUBLICA in Spanish 6 Mar 94 p 16)

The Japanese Government has agreed to lend Peru, together with the Inter-American Development Bank, IDB, $21 million to help improve health services. The agreement was signed on 16 March by Prime and Foreign Minister Efrain Goldenberg and Japanese Deputy Foreign Minister (Shoko Atuma). Goldenberg said he hopes the loan will benefit at least 5 million Peruvians. (Lima Global de Television Network in Spanish 0100 GMT 16 Mar 94)

Net profits for the Central Peru Mining Enterprise, Centromin, was $15 million in 1993. Sales domestically and abroad totaled $389 million. Although production increased $97.5 million in 1993, sales dropped 3 percent compared with 1992 because of a decline in international prices for the main minerals produced by Centromin. (Lima EL PERUANO in Spanish 9 Mar 94 p B1)

On 9 March, the Chilean and Peruvian agriculture ministers signed an economic, technical, and scientific cooperation agreement designed to protect regional llamas and vicunas. (Lima EXPRESO in Spanish 10 Mar 94 p A23)

Ω Notes From Media

94P20533A

[Editorial Report]

Poll Shows Approval Dip Linked to La Cantuta Law

A February poll shows a drop in approval ratings for President Fujimori, Constituent Congress President Jaime Yoshiyama, then-Prime Minister Alfonso Bustamante, the Peruvian Government, and the Constituent Democratic Congress. The February figures represent a drop in approval ranging from 10 percent (government, Yoshiyama), 8 percent (Fujimori), 7 percent (Congress), to a slight 3 percent (Bustamante) since January.

The poll was taken following the Congress' passage of a law to move the La Cantuta case from a civil to a military court. The poll was published by the Apoyo-owned weekly SEMANA ECONOMICA and was conducted with Lima residents. The number of interviewees, their socioeconomic category, sex and age, as well as the margin of error were not given.

A full 72 percent of the respondents said they believed the La Cantuta law had been passed under pressure from the military, with 68 percent saying the law violated the autonomy of the judiciary, and 64 percent disapproving of the law.

While the leading actors in the decision to send the La Cantuta case to a military court experienced a drop in approval, the government's counterterrorism and economic policies maintained about the same levels of approval (71 for counterterrorism, 42 for economic measures) as in January.

The unspecified political opposition, as well as Lima Mayor Ricardo Belmont in particular, enjoyed some gains (6 and 3 percent, respectively).

Uruguay

New Integration Drive Seeks Development of Border Areas

PY2203233694 Montevideo LA MANANA in Spanish 9 Mar 94 p 6

[Excerpts] Foreign Minister Sergio Abreu is furthering a new and aggressive foreign policy that advocates the development of border areas. Within this new framework, the foreign minister made headway in settling integration and complementation problems on the border with Brazil, including the serious pollution problem affecting common rivers, sanitation, and pasteurization of Brazilian milk at Conaprole [National Cooperative of Milk Producers] factories. With regard to Argentina, progress was made regarding the navigation of the upper reaches of the Uruguay River and the construction of sluice gates.

The intense tour that Abreu and his main aides made included meetings with experts from the Salto Grande Joint Commission, Rio Grande do Sul Governor Alceu Collares, Rubens Ricupero, the Brazilian minister of environment and legal Amazon Region, and mayors from the main border areas.

At the international press headquarters, the CTM [Argentine-Uruguayan Joint Technical Commission of Salto Grande] presented Abreu with the final plan to build a sluice gate—which started some years ago—to raise the Uruguay River's water level to the reservoir's level and thus enable upstream navigation. This work will facilitate the transportation of more than 45 million metric tons of cargo up to Argentine and Uruguayan ports at a considerably lower price.

CTM members and Abreu himself were of one mind about the importance of this project since it will be instrumental in transforming the Uruguay River in the great cargo waterway of the subregion—including Brazil—and in fostering the comprehensive development of a vast area of the three countries with the resultant improvement of its inhabitants' quality of life. [passage omitted]

The most salient aspects of the foreign minister's tour of the interior were perhaps his agenda in Melo, Rio Branco, and [the Brazilian city of] Jaguarao together with his meeting with Collares and Ricupero.

Both countries' official delegations shared the same views as the mayors, aldermen from [the Uruguayan cities of] Rivera, Artigas, Cerro Largo, Tacuarembo, [and the Brazilian cities of] Jaguarao, Bage, and Santa Vitoria. During an official ceremony in Rio Branco, two devices for "monitoring the environment" were presented to Uruguay, which will have them on loan for a year. These machines are to be used to "measure air particles, rain elements, and atmospheric changes" to reliably determine whether the acid rain that affects crops and vegetation in border departments is caused by the Candiota power plant [in Brazil].

Brazilian and Uruguayan authorities were in total agreement about the urgent need to deepen integration along the entire border in order to "improve citizens' standard of living." They also noted that the objective that will characterize the "new joint policy" is to situate development centers in border areas, where people have always lived in brotherhood striving to overcome shortages caused by the centralization of power." [quotation marks as published]

Collares took pains to underscore that the governments have adopted a new personal and political attitude. The open and sincere talks, at which LA MANANA was present, serve to overcome some longstanding diplomatic problems and bureaucratic hurdles. Abreu said: "The way was paved for sincere understanding through direct dialogue between rulers." Collares shared Abreu's views and openly expressed his intention of encouraging the development of border areas to improve the standard of living and overcome "red tape" problems.

The delegations decided to hold a meeting in Canela during the second fortnight of May to finalize arrangements for common projects in the border areas.

These include: Sanitation for sister cities like Artigas-Quarahi, Rivera-Santa Ana do Livramento, Bella-Union, and Chuy-Chuy; and the cleaning up of common rivers and streams. With regard to the latter, both countries agreed to expedite the drafting of concrete projects since the IDB [Inter-American Development Bank] suspended the financing planned some time ago due to the fact that the systems in both banks do not have the same technical or maintenance levels.

A project to be implemented by Rivera and Livramento provides for the pasteurization of Brazilian milk at Conaprole's No. 14 factory and its subsequent transportation to Brazil for local consumption. Both countries are making efforts so border towns will have common transportation and health care services. [passage omitted]

Another important subject in which both countries' delegations were of one mind pertains to the old bridge across the Jaguarao River—a crucial point in the freeway to link Sao Pablo, Montevideo, and Buenos Aires—and the development of the Laguna Merin basin.

Collares stated: "It will be impossible to foster the area's comprehensive development unless we have a modern bridge that joins both countries." A binational commission made up by authorities from Jaguarao and Rio Branco raised this issue and submitted a project for building a new bridge. This is one of the central issues to be thoroughly analyzed at the Canela meeting since, in the words of the Rio Grande do Sul governor, "we are determined to promote the building of a road network." [passage omitted]

Venezuela

Interior Minister Denies Copei Statements on Disturbances

PA2203163694 Caracas Venezolana de Television Network in Spanish 2350 GMT 21 Mar 94

[Report by Cecilia Pachano from "The News" newscast]

[Text] Referring to statements made by Hilarion Cardozo, president of Copei [Social Christian Party], Interior Minister Ramon Escovar Salom said the country is not facing any serious disturbances. Escovar agreed that the country must make an effort to achieve national unity but rejected the possibility of de facto coups as hinted by the Copei leader. In Escovar's opinion, the country wants peace and trusts the current president.

[Begin Escovar recording] There is absolute normalcy throughout the country. There is no destabilization risk at this time. The people want peace and tranquility, and the government is willing to offer it. The initiative to reach a consensus and make commitments is a very important one.

I do not want to comment on the Copei proposal yet because we need to study it. I do want to say that any conciliation proposal is welcome, because the country is hungry for national unity. The country wants an atmosphere of national conciliation and understanding. [end recording]

Escovar also reacted to legislators' questions regarding his speech on state security policies. He pointed out that they criticized its form and not its substance. The minister also said he will give a more detailed explanation of this issue in the future.

Meanwhile, Federal District Governor Asdrubal Aguiar discussed the public security problem at Miraflores Palace. He said that the prompt promulgation of a social security and citizen safety law time is indispensable to allow the Executive Branch to act against crime in the cities. Aguiar admitted that although he was a critic of the Vagrancy Law, it is the sole instrument that allows him to take actions that go beyond mere police operations.

The governor added that in his meetings with the mayors [prefectos] of Caracas and Vargas, he recommended that this law be enforced without violating the right to defense and without committing the injustices that have been regularly committed in the enforcement of this law. As for the death toll in the metropolitan area over the weekend, Aguiar said that even though the figure has dropped, it is still alarming.

Defense Minister Says FAN Ready To Face Any Contingency

PA2203164094 Caracas EL DIARIO DE CARACAS in Spanish 20 Mar 94 p20

[All quotation marks as published]

[Text] In order to dispel doubts and foster confidence in the country, Defense Minister General Rafael Montero Reverte has said that with their current plans, the National Armed Forces [FAN] are prepared to handle any contingency that may arise in the nation. This was the ranking officer's response to statements made by Brigade General Gonzalo Vargas Ortiz, chief of planning and budget of the Defense Ministry, who, when asked by the Finance Committee of the Chamber of Deputies, replied that the FAN needed an overall budget because its military capacity was collapsing, and this influences the country's security. "That is one official's opinion, not the FAN's opinion," Montero Reverte indicated.

The defense minister also made comments on a report published in a Caracas daily stating a group of officers are meeting tc discuss the country's problems and are being investigated by the Directorate of Military Intelligence, DIM. The minister indicated the Constitution, its Charter Law, and the will of all the military ban politics within the FAN. When we enter the military, we voluntarily sign a statement saying we do not want to be politicians or decision makers. There is not going to be politics in the garrisons," he added.

Commenting on the dismissal of charges against coupist officers, he said that neither the Defense Ministry, the Miraflores Palace, nor the military justice had stopped it. He denied there is a state of alert from the fear of a Colombian guerrilla invasion since the FAN has the plans and personnel, including three task forces that operate on the border and coordinate with the Colombian Army. He concluded by saying that studies are being done along the border to increase guard posts, and announced that the Army and the National Guard are building 10 posts.

Roundup of Venezuelan Economic Developments

PA2203220594

[Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored through 22 March.

Alfredo Acedo Machado, president of the Acedo Mendoza group, today addressed a group of Venezuelan and Colombian investors who met in Caracas and spoke about corporate business strategies and growth strategies of Venezuelan corporations. Acedo Machado pointed out that movements of capital in Latin America have grown considerably and that foreign investments in 1992 in six countries of the region amounted to $12.3 billion. He added that the main investments between 1992 and

1993 were registered in Mexico, Brazil, and Venezuela. (Caracas REPORTE DE LA ECONOMIA in Spanish 16 Mar 94 p 11)

Javier Gomez-Navarro, the Spanish minister of commerce and tourism who is visiting Caracas, announced that Spain has granted the greatest amount of soft credits to Venezuela, to the tune of $300 million. Gomez-Navarro added that he seeks to reestablish commercial contacts in the service and tourism sectors. (Caracas ECONOMIA HOY in Spanish 16 Mar 94 p 23)

The Central Bank of Venezuela today sold bonds in the amount of $327 million that will mature in 91 and 182 days. The bank has weekly sales aimed at controlling liquidity, reducing pressure on the dollar exchange rate, and halting the advancement of inflation. (Madrid EFE in Spanish 2326 GMT 16 Mar 94)

Suriname

Guerrilla Group Seizes Afobaka Hydroelectric Plant

PA2203131094 Madrid EFE in Spanish 2343 GMT 21 Mar 94

[Text] The Hague, 21 Mar (EFE)—The Dutch news agency ANP in Paramaribo has reported that members of a guerrilla group seized the hydroelectric plant in Afobaka hours ago and they are currently holding 30 hostages.

According to an unidentified spokesman of the group called the "Liberation Front of Suriname," access roads to the hydroelectric plant have been mined in a 7-km radius. The hydroelectric dam supplies energy to the country's capital, located 100 km to the north.

According to ANP, the guerrilla group is holding 30 employees of Suralco, a bauxite company, hostage and they are demanding a "decentralization of power" and the resignation of the Surinamese Government.

Rebels Threaten To Blow Up Dam

PA2203143194 Madrid EFE in Spanish 0812 GMT 22 Mar 94

[Text] The Hague, 22 Mar (EFE)—Surinamese President Ronald Venetiaan expressed his willingness to hold a dialogue with the rebels who seized a hydroelectric dam and are holding 30 workers hostage, the Dutch agency ANP reported from Paramaribo today.

On 21 March, 100 guerrillas of the self-styled Liberation Front of Suriname seized the Afobaka Dam, located 100 km south of Paramaribo, and mined its main access roads.

The rebel group is holding 30 workers of the Suralco mining company hostage and threatening to blow up the dam at 1400 today Dutch time (1300 GMT), leaving Paramaribo without electricity, if the government does not resign.

In addition to President Venetiaan's resignation, the Front demands a broad program to improve "the critical economic situation" as well as health and education services for the population.

The group is also asking for the withdrawal of a Canadian company that extracts gold in various concessions in the interior of the country and that the mining rights be granted to Surinamers.

In an appeal to the population, Venetiaan asked for a dialogue with the rebels to reach a peaceful solution to the conflict, ANP revealed from the former Dutch colony in northern South America.

The president added, however, that violence does not solve anything and that "terrorism will never force me to resign."

Dam Seizure Causes Power Outages

PA2203234494 Madrid EFE in Spanish 2151 GMT 22 Mar 94

[Text] The Hague (the Netherlands), 22 Mar (EFE)—The Dutch ANP press agency is reporting from Suriname that large areas of the capital of Paramaribo were left without power today after a group of rebels seized a hydroelectric dam.

The Liberation Front of Suriname (FLS) has controlled the Afobaka Dam, 100 km south of Paramaribo, since 21 March and has mined its main access roads.

A spokesman for the Suriname Power Co. confirmed that one of the dam's generators, which provides energy to Paramaribo, is no longer operating.

The FLS, which is holding 30 employees of the "Suralco" mining company hostage, is demanding the resignation of the government headed by President Ronald Venetiaan. The FLS also is requesting improvements in national sanitation and education services.

Meanwhile, Stanley Rensch, leader of the "Moiwana 86," a pro-human rights organization, will attempt to mediate between the armed group and the government. He also will seek the release of the hostages.

On 21 March, the guerrillas issued an ultimatum, which expired at 1000 (1300 GMT) today. In the ultimatum, the rebels threatened to blow up the Afokaba Dam if their demands were not met.

President Venetiaan vowed he would not give into terrorist pressure, but he expressed his willingness to hold a dialogue with the rebels in an effort to resolve the conflict.

The ANP press agency added that Cornelis Maisi, a famous criminal who escaped from prison several months ago, is leading the guerrillas.

President Rejects IMF Monitoring of Reform Program

BR2303095494 Amsterdam HET FINANCIEELE DAGBLAD in Dutch 22 Mar 94 p 8

[Unattributed article: "Suriname Continues To Reject IMF Supervision"]

[Text] Surinamese President Venetiaan is continuing to reject the monitoring of economic reform by the IMF. The president was reacting to an agreement reached in New York on Saturday, 19 March, between Netherlands Development Cooperation Minister Pronk, the IMF, and Surinamese Foreign Minister Mungra and Planning and Development Cooperation Minister Assen.

After the meeting Pronk said that Paramaribo had agreed to IMF monitoring of the structural modification program which the Surinamese economy was to undergo. The IMF will report progress made each quarteron. The state of affairs and the Netherlands will decide on this basis whether or not Suriname will receive or how much money Suriname will receive as support for its balance of payments, the minister said.

But Venetiaan refused on Sunday to commit himself. "We have not yet made any decision. First, we want to see what demands are made," the president said in his initial reaction to IMF monitoring. Paramaribo has always resisted IMF checks on the grounds that the institution would support excessively rigorous economic cuts. Suriname wanted the British Warwick Institute to follow up the process rather than the IMF. But the Warwick Institute indicated that it wanted to do no more than assist the IMF. In addition this was unacceptable to the Netherlands.

The Development Cooperation Ministry was assuming yesterday that the agreements made on Saturday were valid. "If two prominent Surinamese Government ministers agree on something like this, then it is serious business," Pronk's spokesman said. He added that the agreements still had to be approved by IMF Director Camdessus and President Venetiaan.

Before his departure for New York on Friday, Pronk said that Suriname had to decide in the near future about the monitoring of the recovery program. Elections would soon be held in the Netherlands, followed by the formation of a new cabinet, and according to the minister, that could lead "to a huge amount of lost time" in the resumption of aid to Suriname, Pronk's spokesman said. On the basis of the 1992 Framework Treaty, Suriname is still due approximately 1.2 billion guilders for items including balance of payments support, subject to the condition that it takes measures to boost the economy. If everything goes well, this support will be spread over approximately 10 years. It is separate from project aid, which is continuing normally and remains outside IMF monitoring. The Netherlands is providing this aid for social facilities, education, health care, and infrastructure.